May 16 1980
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THE TIMES

Mr Len Murray, the sincere Shropshire lad, page 14

...gypt refuses more talks ...n Palestinian autonomy

...lent Sadat decided yesterday not to resume ...iations on Palestinian autonomy, which he ... off indefinitely last week. A spokesman ...ed Israel's "negative attitude" and referred ...gislation introduced in the Knesset on ...iesday to make east Jerusalem part of the ...i capital. He said Egypt expected a new ...tive from Washington. The decision took ...l by surprise.

...nger at Jerusalem 'annexation Bill'

...o, May 15.—In a surprise ...al of policy President Sadat has decided that ... will not resume negoti... with Israel on Palestinian ...omy until Israel changes ...egative" attitude.

...Butros Ghali, the Minister ...te for Foreign Affairs, ... news conference today ...Egypt was looking to the ...l States for a new initia... "We are waiting for the ...cans to play the role of a ...rtner."

...aking soon after a high... discussion of strategy, ...ed over by Mr Sadat, he ..."The position of Egypt ...te clear. We are in favour ...gotiations but we cannot ...negotiations in the face of ... fait accomplis. We are ... to negotiate with Israel ...ot in this atmosphere.

... Ghali referred to legisla... presented to the Israel ...ment on Wednesday to ... east Jerusalem, captured ... Jordan in 1967, formally ...of the Israeli capital. This, ...id, amounted to "annexa... of the city of Jerusalem", ..., he said, was an integral ... of the West Bank where ...tinians are to be granted ...omy under the Camp ...l accords.

...change of heart came ... a day after President ... told the Egyptian Parlia... that he had agreed to ...e negotiations — which ...t broke off on May 8—at ...behest of President Carter.

...e official Cairo-based ...le East News Agency today ...ed an even stronger state... attributed to an unnamed ...tian diplomatic source.

"Negotiations are not right in this dismal political atmosphere that Israel is constantly creating," he said.

The news agency was also critical of American efforts to find common ground between Egypt and Israel on the autonomy plan for 1,200,000 Palestinians living in the West Bank and Gaza.

"Serious blow": President Sadat's unexpected decision is regarded by many international observers in Jerusalem as a most serious blow delivered to the flagging Middle East peace process (Christopher Walker writes from Jerusalem).

The announcement came as a complete surprise to Israeli officials and politicians, reaching Jerusalem only a few hours after Mr Begin, the Prime Minister, had confidently informed a gathering of French Jews that it was now "obvious" that the talks would continue beyond the target date of May 26.

Mr Begin said that the revised date for completing negotiations should be agreed jointly between Israel, Egypt and America. It was clear from his speech that he had no advance knowledge of the Egyptian leader's latest change of heart.

Egypt's move has angered many senior Israeli ministers, who were already upset at Mr Sadat's sudden decision last week to suspend the talks indefinitely. A prominent article in the English-language Jerusalem Post this morning described this decision as "a gratuitous insult" to Israel.

Israel reveals secret settlement plan

...rusalem, May 15.—Israel ...y disclosed a secret plan ...extensive new Jewish settle...ts on the occupied West ...aimed at quadrupling the ...sh population there within ...next three years.

...r Mattityahu Drobless, ...rman of the Jewish ...ncy's settlement depart...t, which is responsible for ...blishing Israeli settlements ...occupied lands, said today ... Israel would set up 29 ... settlements in the West ...k by October, 1983.

...ach one would house 200 to ... Jewish families. The settle...ts would be built mainly on ...e land and the interests of ... local inhabitants of the ...on would not be harmed ...nder the plan 59,000 Jews ... be settled on the West ...k by October, 1983. Israel ... has 44 settlements there ...sing about 14,000 people.

... settlement department ...cial said the plan had first ...n presented to the Israeli ...ernment in October, 1978. ...had been marked "secret" ... distributed only to Cabinet ...isters and members of the ...ish Agency executive. But ...ew months ago the plan was ...ked to the Palestine Libera-tion Organization (PLO) which distributed it in the United Nations.

"We felt there was no point in keeping it a secret when it has been translated into eight languages, including Chinese," the officials said.

He added that the translations and maps of the plan appended to them, which were distributed among United Nations Security Council members, were "absolutely accurate with nothing added or taken away". The official said he had no idea how the secret plan fell into PLO hands.

"We know there are government ministers and Jewish Agency executive members who oppose settlement in the West Bank. But it is hard to imagine them giving the information to the PLO," he said.

The original plan called for 59 settlements to be set up within a five-year period, but since October, 1978, 30 have already been established.

Israel's West Bank settlement policy has met with world-wide opposition and condemnation and Israel's only ally—the United States—has repeatedly said that the settlements are illegal and an obstacle to peace.

Fire danger to forests worst since 1976 drought

From Ronald Faux
Edinburgh

After a week in which British woodland worth £750,000 has been destroyed by fire, the Forestry Commission yesterday issued a warning that the danger of further outbreaks was acute. The position was the worst since the drought of 1976, when 1,500 fires destroyed 5,000 acres of woodland.

Since last weekend, 750 acres of private forestry on the Black Mount estate in Argyll, including a substantial area of mature Scots pines, have been burnt. The fire was controlled before it swept through the remnants of the old Caledonian pine forest on the same estate.

At Carrick in Strathclyde, 500 acres of commission woodland and 125 acres of private forestry were burnt. In Wales, 250 acres of the Gwydyr Forest in Snowdonia have been destroyed, and another fire broke out there yesterday. Four fires in Wales have consumed about 600 acres.

On the Isle of Mull in Scotland flames spread out of control across a wide area of moorland. Because of difficulties on the ferry service between the island and Oban, the fire engine could not make the crossing quickly to deal with the blaze. Firemen were taken to the island by lifeboat.

The Forestry Commission said that many parts of the British countryside were now tinder-dry and at risk. The danger of starting a fire accidently was extremely high. Many of the blazes have been traced to negligence: in at least one case charges have been brought by the police.

The commission appealed to visitors to the countryside to take great care and not to light matches, cigarettes, camping stoves or camping fires. The hot, dry and windy conditions were a dangerous combination.

No restrictions are planned yet on the recreational use of forests but the future depends on the public giving their full cooperation in keeping down the fire risk.

The commission added that apart from the loss of valuable timber, the outbreaks had brought devastation to wildlife. The technique of fighting fires in Britain still depended on using beaters to attack the outbreak along its outer edges to prevent it spreading, or man-handling fire fighting equipment along forest roads.

"Out of control": Mr Eric Edwards, Gwynedd's Chief Fire Officer, said yesterday of the Gwydyr Forest fire: "It's like fighting a massive fire with a water pistol (the Press Association reports).

"The whole blaze, because of the terrain we are working in, is utterly out of control and there is nothing we can do to prevent it spreading."

Eight fire crews from two counties and 50 forestry workers have been trying to contain the fire. Forestry workers using chain saws felled trees to make fire breaks, but the flames broke through at several places.

The Welsh Water Authority announced that hosepipes would be banned in parts of North and West Wales and Gwent from next week.

At Chailey Common, near Burgess Hill, East Sussex, two people were rescued from a farmhouse by firemen after 75 acres of heathland caught fire.

In Hampshire the A27 South Coast trunk road was closed near Southampton when heath and woodland caught fire.

In Cumbria, walks through Forest Commission land have been closed to the public because of the fire risk.

In Chesterfield, the Ministry of Agriculture issued a directive to close the 76 square miles of public access land in the Peak National Park for six days from midnight today, the first time the moors have been closed since 1976. Peak park rangers will be on duty advising visitors to keep away.

Northern Ireland, affected by drought, needs rain within the next few weeks or strict rationing will have to be brought in, the Department of the Environment said.

Photograph by Brian Harris

An eye-level view of Lord Nelson, approximately 200ft high, at Trafalgar Square, London, during the biennial clean-up of the sea lord yesterday. The photograph, shot with a 600mm Nikon lens from a rooftop nearby, has Waterloo Bridge in the background.

Mrs Thatcher dashes hope of interest cut

By John Whitmore
Financial Correspondent

The Prime Minister said yesterday that interest rates could not come down until the demand for bank credit subsided. Her warning came after the publication of banking figures showing a huge surge in bank lending during April.

Replying to questions in the Commons, Mrs Thatcher also prepared MPs for figures today which will show that prices have increased by more than 20 per cent over the last 12 months. Many economic analysts are expecting the Retail Price Index to be about 21 per cent higher than a year ago.

The Prime Minister's warning on interest rates suggests that any reduction in the cost of bank borrowing is likely to be some weeks away. She said that the latest figures indicated a high level of loan demand from the corporate sector and that personal sector borrowing had still not fallen adequately.

Her words will provide no comfort to industry, which has been pressing strongly for some speedy relief from the high cost of borrowing.

The Chancellor has already said that to cut interest rates prematurely could jeopardize the whole of the Government's anti-inflation programme. The last thing the Government wished to do was to bring down rates now and have to raise them again in the autumn.

Although the Government is aware that high interest rates are proving uncomfortable for industry both in terms of the cost of borrowing and in the way they tend to raise the value of sterling, it appears determined to keep rates high until loan demand has been choked. Keeping interest rates high is seen as an essential part of the process of encouraging companies to enter into progressively lower wage settlements.

Evidence that the policy is working is decidedly less clear now than the Government would like. The level of pay settlements has accelerated during the winter, and on Wednesday official figures put the rise in average earnings over the previous 12 months at 20.1 per cent.

The Government has consistently emphasized that its policies would take time to work and that it was prepared to be patient. In a recent speech the Governor of the Bank of England suggested that the pattern of wage settlements could be different in the next pay round as more heavily-squeezed companies were forced to award lower pay increases.

The fact that it is having to hold interest rates at such a high level must be particularly irksome to the Government given that these rates have fallen sharply in the United States and that it appears to have brought the growth in the overall money supply under control.

Sterling M3 the broad-based measure of money grew by only 0.3 per cent in April, helped in part by payments of more than £600m by the oil companies in respect of forward oil purchases from British National Oil Corporation. Over the last six months the yearly rate of growth has been only 6.5 per cent. This compares with the Government's target of a yearly growth rate of 7 to 11 per cent.

Financial Editor, page 21

Confusion on Spanish role over hostages

From Harry Debelius
Madrid, May 15

Spain is involved in international discussions, aimed at finding a formula for the release of the American hostages in Iran, the Spanish news agency EFE reported today.

Both, Señor Adolfo Suárez, the Prime Minister, and Señor Felipe González, the leader of the opposition, are reported to have met last Tuesday in Madrid with M Christian Bourger, a French lawyer who is said to represent Ayatollah Khomeini, and an Argentine lawyer, Señor Héctor Villalón, who has been described as acting on behalf of the White House.

The Palestine Liberation Organization and Switzerland are also involved in the efforts to win freedom for the hostages, according to the Spanish agency. Switzerland is expected to be the host country for the first formal round of negotiations over the hostages and later sessions are expected to take place in Madrid.

Another person who had been expected to join the talks here last Tuesday was the Greek Catholic Archbishop, Mgr Hilarion Capucci, who is known to have channels of communication with the PLO.

He took part in the negotiations for the return of the bodies of the United States soldiers who died in the unsuccessful attempt to rescue the hostages. The archbishop did not come to Madrid, however, apparently for security reasons. It was feared that he would be easily recognized.

The opposition Spanish Socialist Workers' Party, according to the EFE report, will try to get the support of Socialist International to free the American hostages. One possibility is that Señor González will fly to Tehran within the next few days at the invitation of President Bani-Sadr.

American denial: Administration officials in Washington, however, described as "totally untrue" the Spanish report that Spain, Switzerland and a number of civil rights lawyers were involved in formal negotiations for the release of the American hostages (David Cross writes from Washington).

The officials said that even if any discussions were taking place, they were doing so without the blessing of the United States. They pointed out that there have been a whole series of reports in recent months of secret discussions involving people like Señor Villalón and M Bourger, none of which have borne fruit.

Since taking office as Secretary of State last week, Mr Edmund Muskie has hinted, however, that new diplomatic initiatives are underway to seek the release of the hostages. It is considered probable here that these are being conducted through normal diplomatic channels, rather than through the likes of civil rights lawyers and the Palestine Liberation Organization.

Mr Muskie dismisses Afghan offer on Soviet withdrawal

From Michael Hornsby
Vienna, May 15

Afghanistan's offer to open negotiations with its Muslim neighbours on a withdrawal of Soviet troops in return for guarantees of non-interference in its internal affairs, was dismissed here today as purely "cosmetic" by Mr Edmund Muskie, the newly-appointed United States Secretary of State.

Speaking on the eve of a meeting in Vienna with Mr Andrei Gromyko, the Soviet Foreign Minister, Mr Muskie said the "obvious purpose" of the Afghan move was to influence the conference of Islamic Foreign Ministers which begins in Islamabad on Saturday. It has the Afghanistan crisis at the top of its agenda.

The meeting between Mr Muskie and Mr Gromyko will be the first high level contact between the United States and the Soviet Union since the Russian invasion of Afghanistan early this year. It is seen as crucial for the tone of future relations between the two superpowers.

Both men, with the Foreign Ministers of France and Britain and all Austria's neighbours, are to attend ceremonies marking the 25th anniversary of the signing of the Austrian State Treaty, which returned Austria to independence after the Second World War.

Mr Gromyko will not arrive in Vienna until tomorrow because he is also taking part in celebrations in Poland of the 25th anniversary of the Warsaw Pact, the communist military alliance. He is due to meet Mr Muskie tomorrow evening and Lord Carrington on Saturday morning.

Mr Muskie said the reference to a withdrawal of Soviet troops in the Afghan proposals was "very ambiguous" and "seemed to include preconditions which would have the effect of legitimizing the Soviet invasion of Afghanistan and the present government there".

He said he intended to draw Mr Gromyko's attention to these deficiencies.

Despite his scepticism about the significance of the Afghan initiative, Mr Muskie described as "an interesting development" the "fact that Russia feels the pressure of international condemnation to the point that, for the first time, reference to troop withdrawal is included."

He said he would also impress on Mr Gromyko the impossibility, in the present climate of opinion in America, of SALT 2 (Strategic Arms Limitation Treaty) being ratified so long as Soviet troops (now estimated at 85,000) remain in Afghanistan.

Lord Carrington, the main author of the EEC proposal for an internationally guaranteed neutral status for Afghanistan, is also sceptical about the Soviet inspired proposal from Kabul. He too will want further clarification from Mr Gromyko.

Labour disappointment: Labour leaders were disappointed with Mrs Margaret Thatcher's reaction in the Commons to the Kabul proposal. They thought the response from Lord Carrington, that the proposals "needed careful study", was by far the best approach, our Political Correspondent writes.

Mr Peter Shore, the Opposition spokesman on foreign affairs, discussed the new development before Mr Michael Foot questioned the Prime Minister in the House.

They believe the subject should be considered by Foreign Ministers of the major

Continued on page 6, col 5

West Germans decide to boycott Olympics

From Patricia Clough
Bonn, May 15

In a decision which is expected to influence many countries still sitting on the fence, the West German National Olympic Committee today voted to boycott the Moscow Olympic Games.

By 59 votes to 40 the committee agreed to accept the pressing recommendations by the West German Government, Parliament and President Karl Carstens to stay away in protest against the Soviet intervention in Afghanistan.

Herr Klaus Bölling, the Government spokesman, expressed gratitude for what is undoubtedly a huge moral victory for Herr Helmut Schmidt, the Chancellor and his Cabinet.

The decision was also warmly welcomed by the Opposition. Herr Franz Josef Strauss, its Chancellor candidate, praised the NOC's "reasonableness, political insight and sportsmanlike discipline".

The Government had refrained from putting any material pressure on the NOC by, for instance, withdrawing subsidies. Instead, the Chancellor and other leading politicians have sought, in innumerable meetings with members, to win them over by sheer force of argument.

Today's decision was made particularly agonizing by the fact that most of West Germany's Olympic candidates wanted badly to go to Moscow and felt that they were being sacrificed for political considerations.

But the Government can point to it as a demonstration of West Germany's genuine solidarity with the United States over Afghanistan after accusations of faint-heartedness. The Germans will also find it difficult to resist a feeling of quiet smugness at their success after "some countries"—as Britain is frequently called here in moments of irritation—were loud in their support of President Carter's boycott call and then were flouted by their sportsmen.

Bonn played it cooler. Irritated at President Carter's announcement of his February ultimatum without consulting them, they recalled that the expiry date for entries was May 24 and said it was up to the Soviet Union to "create the conditions for participation" by pulling its troops out of Afghanistan.

It was evident from the start that the Government would end up recommending a boycott and

Continued on page 5, col 3

...ore water rate ...harges to ...e investigated

...re water authorities in England and ...les are to be referred to the ...nopolies and Mergers Commission for ...estigation, the Prime Minister ...nounced. The Severn-Trent Water ...thority has already been referred to ... commission because of what has ...en described by Mrs Sally Oppen...imer, Minister for Consumer Affairs ... widespread consumer concern over ...arges levied by water authorities. In ...ent weeks there has been increasing ...ticism of water rate rises — Page 19

...nquiry on D-notices

... Commons select committee is to ...vestigate the D-notice system, under ...ich the media practise self-censor...ip of news which might affect the ...tional interest. Page 4

...ew look at PhD

...ans to reexamine the specification for ... PhD in social sciences are being con...dered by the Social Science Research ...uncil. Page 3

Student violence ebbs in Paris

A sunny holiday and impending examinations have cut short growing violence by Paris students who clashed with police over government controls on foreign students. A show of force by police, in tune with the current French obsession for law and order, has been seen as provocative Page 6

Coup leaders speak

Leaders of the coup in Uganda denied that the Army had taken power. They said members of the ruling political movement's military commission had decided they had to act against arbitrary and dishonest rule by President Binaisa Page 7

Call for more homes

The House-Builders Federation expressed concern that the housing shortage would grow much worse in coming years if the Government did not do more to encourage building. Page 3

Lions visit in doubt

Whites in Zimbabwe are angry at a government suggestion that a visit by the British Lions rugby team to Salisbury next month should be called off. Page 7

Warning to skippers on Cuba influx

Authorities in Florida began implementing President Carter's decision to stop the fleet of small boats bringing Cuban refugees to the United States. Soon after the announcement Coast Guard personnel began warning skippers, telling them that they risked fines and other penalties, including confiscation of their vessels, if they returned with more refugees Page 6

Tory "gifts": Mr David Howell, Secretary of State for Energy, listed "three precious gifts of insight" he said had been restored to the Conservatives 2

Fairs combine: The Antique Dealers' Fair and the Burlington Fine Art Fair are to be combined in Burlington House, London, in September 4

Pensions: A 10-page Special Report on the issues confronting the National Association of Pension Funds, meeting in Brighton today

Classified advertisements: Personal, pages 27, 28; Appointments, 26, 27; Car buyers' guide, 26

HOME NEWS

Tactics by employers may cut strike pay for civil servants

From David Felton
Labour Reporter
Southport

Civil servants who take industrial action may not in future receive full strike pay from the Civil and Public Services Association, which last year conducted a lengthy dispute costing £2m.

Delegates at the union's annual conference in Southport yesterday instructed the executive to prepare a changed policy on strike pay, because of employers' new tactics of suspending members who take action short of striking. The present policy ensures that strikers receive the equivalent of their full pay.

Mr Raymond Alderson, a member of the retiring union executive, said: "The policy of strike pay in this union determines that we adopt people suspended as official strikers, on full net pay, thus effectively handing control of the strike to management."

Threat by employers of suspensions had brought to an end several types of industrial action. "The nettle of suspension has to be grasped and pulled out by the roots", Mr Alderson said.

Last year the union held a lengthy and costly strike in protest at pay offers in several areas of government operation. That included the Post Office, and the action delayed the sending of telephone bills, costing the corporation about £100m.

Mr Alderson said the union's industrial action policy "must be strong enough to stand up to the worst excesses of Thatcherite Toryism", and other delegates urged members to adopt a more "trade union" attitude.

Mr James Norris, a member of the Department of Health and Social Security head office branch, said the union had to adopt a policy that would demonstrate to employers that "the days of half-hearted action are over and that we are prepared to make sacrifices for betterment of the membership as a whole".

Cuts in Civil Service to affect top grades

By Peter Hennessy

The manpower cuts announced by the Prime Minister on Tuesday will for the first time affect 950 civil servants at the summit of the Whitehall hierarchy.

In the past officials of under-secretary rank and above have been spared reductions

The annual conference of the Association of First Division Civil Servants yesterday passed a motion acknowledging the Government's right to determine the work of the Civil Service but deploring its "apparent elevation of manpower savings to the status of an end in itself".

The association, which has received no indication of the level of cuts to be imposed on its members, criticized the Government's use of recruitment bans and natural wastage to achieve its end without a proper review of functions.

Mr John Ward, the association's general secretary, said after the conference: "If the Government accepted the view that the size of the Civil Service must be geared to the volume of work it is asked to do, and if it cut out work done by the most senior grades, the association would accept a reduction in those grades."

The conference also voted to remain within the system of pay research whereby Civil Service remuneration is determined by the principle of fair comparison with the private sector.

Settlement of 'Express' and 'Star' dispute

By Our Labour Staff

The *Daily Express* and *Daily Star* were expected to appear normally today after a settlement with the Society of Graphical and Allied Trades over the dispute arising out of the TUC Day of Action on Wednesday.

After talks between union officials and *Daily Express* executives in Manchester, Mr Victor Matthews, chairman of Express Newspapers, said last night that "both sides have agreed to abide by the disputes procedure in future".

The dispute arose when Sogat retaliated against the company's decision to use managers and senior circulation personnel to load and distribute some 180,000 copies of the papers which had been printed during Tuesday night in Manchester after Sogat members had withdrawn their labour in support of the TUC protest.

Official action by Sogat members then stopped the appearance yesterday of both northern and southern editions of the two papers. Yesterday's talks in Manchester, described as "low key", appear to have led to a joint understanding to allow publication today.

Docks disruption

Cargo handling at Southampton docks was disrupted for the second day running yesterday when 120 crane drivers stopped work in a dispute over emergency cover on Wednesday.

White collar steel union move means TUC voice

By Donald Macintyre
Labour Reporter

The main union representing executives in the British Steel Corporation is to recommend its 12,500 members to vote for a merger with the Electrical, Electronic, Telecommunication and Plumbing Union.

The decision by leaders of the Steel Industry Management Association (Sima), which yesterday came as a surprise to BSC, will if approved bring to 53,000 the total of the electricians' white collar section, the Electrical and Engineering Staff Association.

The move would give Sima the voice on the TUC steel committee it has long sought. It will come as a disappointment to a number of other unions, both manual and white collar, which have held merger talks with Sima in recent years.

An application by Sima 18 months ago for affiliation to the TUC in its own right was rejected and the steel industry's dominant Iron and Steel Trades Confederation was among those that opposed it on the ground that it should first merge with a relevant union in its industrial sector.

Mr Robert Muir, general secretary of Sima, said yesterday that merger discussions which had taken place with the ISTC had not held out the promise of the autonomy as a managerial section that the association had sought. The ISTC might also have wanted to transfer some lower ranking managers into its own white collar section.

The EEPTU proposals for a transfer of engagements, Mr Muir said, guaranteed that the association would not be affected by blanket calls for industrial action unless Sima's own policy-makers approved; that there would be no affiliation to the Labour Party other than by individual members who wanted it; and that Sima would continue to negotiate independently in the steel industry.

Asked why it was felt important that Sima should join another union at all, Mr Muir said: "It is certainly right that we should have a voice in the TUC." The union, with other senior white collar unions in the TUC, would strengthen the managerial voice

For the EEPTU the move comes after a transfer of engagements by the United Kingdom Association of Professional Engineers and is a second significant advance in a path towards white collar recruitment.

Mr Frank Chapple, general secretary of the EETPU, said the union did not believe in "taking other unions over" or "dragooning unions into organizations to which they did not want to belong".

The EETPU's staunch opposition to the left within the TUC has obviously appealed to the leaders of Sima, which has a largely non-political membership.

Mrs Thatcher hails 'Carry on Britain' verdict

By Hugh Noyes
Parliamentary Correspondent
Westminster

Mrs Margaret Thatcher yesterday made up for some of the early reticence of her senior ministers over the poor response of the British working man and woman to the Trades Union Congress's day of action on Wednesday.

It would have been unthinkable for the Prime Minister's question time in the Commons to have passed without one of her rougher colleagues from the back benches, with less consideration for the fragile feelings of Labour MPs, raising that delicate subject with his leader.

Just as it seemed that the House would have to settle for Mrs Thatcher's views on such mundane matters as interest rates, inflation, Afghanistan and the Olympics, Mr Esmond Bulmer, Conservative MP for Kidderminster, burst into full cry over the day of action.

Mr Dennis Skinner and other intellectuals on the opposition benches growled in startled amazement as Mr Bulmer chortled on about the demonstration resembling the rage of Caliban seeing his own reflection in a glass. Indeed, Mr Bulmer went on at such lengths that he would have soon seen the rage of the Speaker let alone Caliban but fortunately he sat down just in time.

It was too good a chance to miss, even for such a kindly politician as Mrs Thatcher, ever mindful of the tender feelings of her opponents. Momentarily forgetting that word had gone out from high sources not a thousand miles from Mr Angus Maude, the Government's information supremo, that it would not be in the best of taste to rub salt into the wounds of Mr Len Murray and the TUC, Mrs Thatcher rose to an impressive height and grasped hungrily at the bait being dangled before her.

"I agree", she told Mr Bulmer enthusiastically. "The people of Britain have given their verdict on the TUC: 'Carry on Britain', and that was right". She went on to remind the House that where there was a wide gap between high pay increases and increased output, that gap would lead to increased unemployment.

She hoped that every one would take that into account. Then to yet another uncouth Tory Mrs Thatcher replied that the day of action showed that people would have no truck with political strikes. They would rather get on with the job.

One could almost hear Mr Maude wincing at the tastelessness that seemed to be bursting out all around him.

Reporters criticized: Mr Clive Jenkins, the leader of the Association of Scientific, Technical and Managerial Staffs, yesterday made a bitter attack on reporters for "harassing." Mr Murray during his holiday in Madeira (our Llandudno correspondent writes).

He claimed that the British press had become "the most prostituted this side of Chile" during a speech to the Inland Revenue Staff Federation at their annual conference at Llandudno.

Mr Jenkins said he was asking the TUC to raise with the National Union of Journalists the issue of reporters who "vilified and harassed Mr Murray".

He considered it a question for an ethics committee of the NUJ to consider. Conveying greetings to delegates on behalf of the TUC General Council, Mr Jenkins accused some newspaper proprietors of having exercised "the right of the harlot".

Holiday abandoned: Mr Len Murray has cancelled the rest of his holiday in Madeira blaming "harassment" by reporters the Press Association reports).

Renewing his attack yesterday on what he described as the "gutter press" he said: "The point of my going back to Madeira has disappeared".

Parliamentary report page 12
Len Murray interview page 14

Mr Benn urges a new consensus of power

By Michael Hatfield
Political Reporter

A new constitutional settlement with Labour laying the foundations for a consensus markedly more favourable to working people was advocated by Mr Wedgwood Benn last night.

Joint shop stewards' committees and combines offered the best hope for securing the degree of real power and real responsibility, that must together provide the basis for such a settlement, he said in a Granada Guildhall lecture on "The role of the trade unions—towards a new constitutional settlement".

The trade union movement was learning again that it needed a political party to represent working people in Parliament. The movement's tradition was essentially democratic, seeing Parliament as its main hope for reform and rejecting completely the authoritarianism that had characterized the regimes of East Europe. That was why it was in the interest of Labour to strengthen Parliament and the ministers answerable to it.

Giving a warning of the reopening by monetarists of the class struggle, Mr Benn said that the trade unions would be looking to a new government to restore full employment by a massive programme of reequipment and factory building, harnessing the oil revenues and public and private investment funds for the purpose within a pattern of planned trade.

The old consensus politics, however, had failed, ending up "by elevating fudging to the highest level of statesmanship".

It had brought together the top people into "an endless huddle" which began, no doubt, from the highest motives and ended in a series of desperate attempts to fend off the insistent demands of labour whose interests were not being met, by an economic system which was incapable of doing so.

There was a growing realization in the unions that no government, however well intentioned, would be able to achieve full employment and maintain the welfare state within the limits set by market forces, and that had led to a renewal of interest in socialism.

"If capital is to consolidate its electoral victory it must now go on to pulverize Labour's power base in industry and neutralize its political voice and parliamentary prospects", Mr Benn said.

But if public support for the new reconstruction was to be won the trade union movement, in particular, had to rethink its vision of its role in much bolder terms if it was to widen its appeal to those beyond its ranks.

Basic trade union rights must be reestablished and entrenched in law; and those must include the right to organize, to be recognized, to negotiate pay and conditions, to withdraw labour as an ultimate sanction and to picket effectively.

Mr Benn said that on the agenda for trade union negotiation must be an agreement for the joint planning of the whole range of company policy, including decisions about research, development, marketing, investment, mergers, manpower planning and the distribution of profits.

"This is not copartnership which seks consensus in the interests of the shareholders", he said. "Quite the reverse; it is to encourage the development of workers' initiatives".

A massive expansion of trade union education would be required, he said.

Minister extols Tory 'gifts of insight'

By Fred Emery
Political Editor

Exulting in the assertion that under Mrs Margaret Thatcher the Conservatives had become "anti-class" even while re-embracing "the whole of 'middle' Britain" and rescuing the bourgeoisie from the flawed postwar concensus, a senior Cabinet ally of the Prime Minister last night spoke of three precious gifts of insight restored to the Tories and the nation in the nick of time.

Mr David Howell, Secretary of State for Energy, listed them as: national self-confidence; political optimism, replacing the "terrible defeatism" of the 1970s; and "the understanding of the supreme importance of personal ownership to eevery family".

Those, Mr Howell said in a speech to the party's Bow group at Westminster, were "the hoops which bind us and they become daily more vital as the old institutions and links crumble".

Socialism could no longer command mass loyalties; the Labour movement, in disarray, could no longer hold things together. "But Toryism can," he declared.

Mr Howell, in lyrical vein, said the Tories' return to their tradition of understanding and facing the changed character of society was "much the most exhilarating postwar political event in Britain". He was rather coy about the precise moment when that change occurred, putting it in the mid-seventies when the Tories were out of office.

In deploring the post-war concensus, Mr Howell's analysis of how the "traditional rootland of Tory Britain" had been overlooked was another Thatcherite attempt to distance present-day Tories from the actions of both the Macmillan and the Heath governments, without specifically mentioning them.

He said the postwar concensus had been clearly founded "on the consent of the wrong and unrepresentative, groups, and on the wrong policy"; further, that the British petty bourgeoisie had been ignored in policy-making by Labour and Conservative governments.

He accepted that a collec- been forgiven in 1945; but what was strange was that for 30 years, while society was transforming itself, with the neglected middle now embracing the vast majority, "the Tory outlook did not".

"It meant that postwar Britain sailed out into a changed and dangerous world with its middle or bourgeois layer, the ballast of the nation, ignored and, worse still, with that crucial layer's confidence in its own values fatally weakened", he said.

To restore national self-confidence the Tories had to help to put a stop to the contata that told people they belonged to social groups and classes, "that they are struggling against capital, when in fact it is largely theirs, that our history is a class history, which it is not, and that we should therefore go in the world with an air half apologetic, for all our national guilt, and half demanding, for all our decency in admitting it to anyone who will listen".

Political optimism, Mr Howell's second gift, was shorthand for something deeper, a "faith in coherence, that extraordinary, almost intoxicating belief in the patient, organic unfolding scheme of things, the quality which ensures that the true Tory, while he may be healthily sceptical, is never a cynic . . . even less a gloomy deteriorationist".

Looking back over the past decade, Mr Howell saw such a cast of mind playing much too large a part in Tory affairs. "It is good that this fatalistic feeling of irreversibility about collectivist arrangements and corporatist institutions is now being dissipated . . . in the seventies the Tory Party came perilously close to accepting it."

He also wondered, with his third gift, how the Tory Party had ever allowed itself "to go along with this nonsense" of believing, with the left, that people should feel themselves wage earners, not owners.

Mood of Ulster politicians hardens

From Christopher Thom[...]
Belfast

Northern Ireland's mai[...] tical parties are showin[g] signs of returning quic[...] their traditional entr[...] positions as they await th[e] ernment's ideas on power[...] lution.

Ministers have decide[d] Parliament will receive [...] sultative document con[...] ideas on political p[...] rather than a White Pa[...] is apparent that the har[...] mood of Ulster's politicia[...] narrowed the scope for i[...] ate definite proposals, b[...] hope and intention to[...] decisive action remains.

The discussion doc[...] which may be called a [...] Paper, is now expect[...] middle or late June. A [...] of politicians have been [...] selling the Northern [...] Offcie against presenti[...] ideas so close to the s[...] "marching" season, p[...] larly the traditional [...] parades of July 12. [...] emotions can run too hi[...] delicate negotiations to p[...]

Nevertheless, the indi[...] are that the Government [...] intention of waiting, par[...] cause Parliament has gr[...] expect an early announc[...] and Mrs Margaret Thatc[...] determined to see t[...] There will be a Commo[...] bate on the document, [...] will have to be decided w[...] that should come befo[...] after widespread consul[...] in Ulster. A decisio[...] whether to resume [...] adjourned Stormont co[...] tional conference will be [...] after the Government [...] studied the response of [...] politicians

Rumours about the like[...] tent are emerging dai[...] Ulster political circles. Fe[...] what might emerge have [...] an important part in c[...] the leading politicians b[...] their well known position[...]

Earlier in the year [...] were signs of a slight sh[...] both sides on the confi[...] attitudes to power sharin[...] the private utterances of [...] politicians indicate that [...] stage there is no mood fo[...] promise.

That may be the reason [...] the consultative docume[...] still in its very early s[...] the signs are that there i[...] no agreement on what it s[...] contain. The five C[...] ministers belonging to th[...] official Whitelaw group m[...] Monday to discuss progres[...] will probably meet again [...] next week or so.

Irish suspected of police blast

Scotland Yard's anti-te[...] squad believes that the [...] National Liberation Arm[...] probably responsible fo[...] explosion at Catford [...] station, in south Londo[...] Wednesday. That group [...] dured Mr Airey Neave, M[...] 1979.

Preliminary tests have [...] gested that the booby-tr[...] orange torch which led [...] young policeman losing a [...] contained a complex exp[...] device.

Damages against builders after TV mast collapse

A court case over a 1,250 ft television mast at Emley Moor, near Wakefield, West Yorkshire, which collapsed more than 10 years ago, ended in the House of Lords yesterday with victory for the Independent Broadcasting Authority.

The mast, believed to be the highest in Europe, collapsed in March, 1969, three years after it had been built. It was designed and constructed by BICC Construction Ltd., of Thornton Heath, London, for the IBA.

Five Law Lords ruled that BICC Construction must pay damages to IBA, to be assessed at a later date. BICC must also pay the costs.

IBA had also sued the main contractors, EMI Electronics. Mr Justice O'Connor had held that EMI were also liable in damages to IBA but were entitled to recover damages from BICC.

BICC's appeal was dismissed by the Court of Appeal in November, 1978, and yesterday the Lords unanimously dismissed their final appeal. They allowed a cross-appeal by IBA over two questions of negligence by BICC which the Court of Appeal had decided in BICC's favour.

Lord Edmund-Davies said a committee of inquiry in a report in December, 1971, found the collapse was caused by the effects of ice and wind.

The masts were wholly new in concept and there was no settled practice to serve as a guide for BICC. Those very handicaps created a clear duty to identify and think through the problems. The Law Lords held that BICC had "failed to exercise the standard of care expected of designers

Compromise ends rota strike at Ford factory

The 6,500 production workers laid off on Tuesday and Wednesday from the £125m Ford car factory at Halewood, on Merseyside, are being recalled on their shifts today after informal talks yesterday between the management and unions.

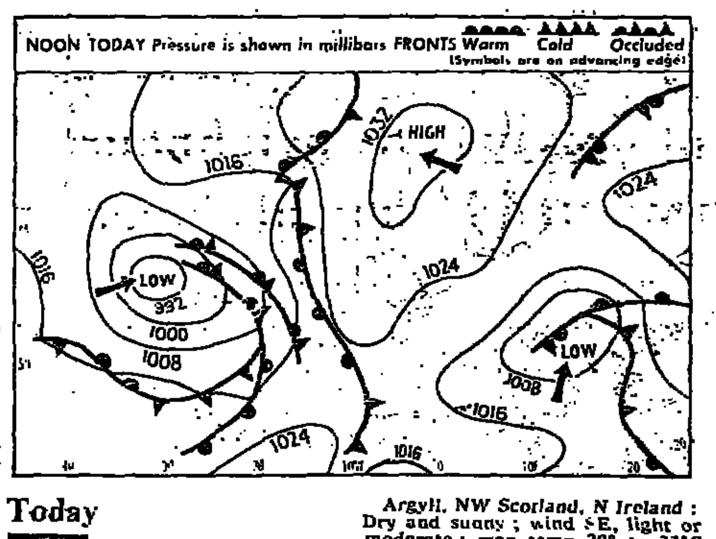
The 80 key workers in the metal finishing area who walked out on Tuesday will be advised by conveners to accept a compromise over new work rotas.

Beetles in timber

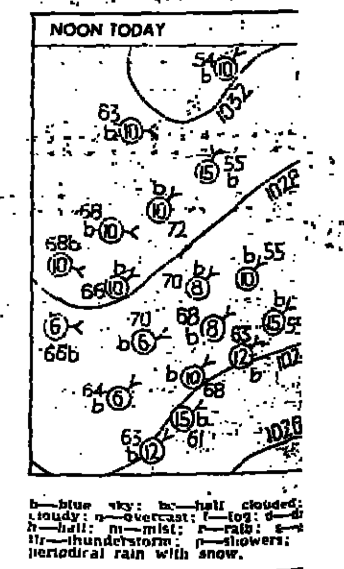
A cargo of timber from Portugal was fumigated at the Somerset port of Watchet yesterday after 11 Colorado beetles, three of them alive, were found in the wood.

Weather forecast and recordings

NOON TODAY Pressure is shown in millibars FRONTS Warm Cold Occluded (Symbols are on advancing edge)



NOON TODAY



b—blue sky; bc—half clouded; c—cloudy; o—overcast; f—fog; d—drizzle; h—hail; m—mist; r—rain; s—snow; th—thunderstorm; p—showers; periodical rain with snow.

Today

Sun rises: 5.7 am — Sun sets: 8.48 pm
Moon rises: 7.0 am — Moon sets: 10.58 pm
First Quarter: May 21.

Lighting up: 9.18 pm to 4.36 am. High Water: London Bridge, 3.43 am, 7.4m; 4.11 pm, 7.4m. Avonmouth, 9.30 am, 13.8m; 9.40 pm, 13.7m. Dover, 12.34 am, 6.8m; 1.3 pm, 6.7m. Hull, 8.12 am, 7.5m; 8.31 pm, 7.5m. Liverpool, 1.1 am, 96m; 1.23 pm, 9.6m.
1ft = 0.3048m. 1m = 3.2808ft.

High pressure to NE will be slow moving, with a ridge moving slowly W across W areas.

Forecasts for 6 am to midnight:

London, SE England, East Anglia: Dry, sunny periods; wind NE, moderate; max temp 16° or 17°C (61° to 63°F), cooler on some coasts.

Central S, SW England, E Midlands: Dry, sunny periods; wind NE, moderate; max temp 16° to 18°C (61° to 64°F).

E, NE England, Borders, Edinburgh and Dundee: Dry, sunny periods; wind NE, light; max temp 16° or 17°C (61° to 63°F), cooler on coasts.

W Midlands, Wales, Central N, NW England, Lake District, Isle of Man, SW Scotland, Glasgow, Central Highlands: Dry, sunny; wind variable or NE, light; max temp 20° to 23°C (63° to 73°F).

Channel Islands: Dry, sunny periods; wind NE, moderate; max temp 15° or 16°C (59° to 61°F).

Aberdeen, Moray Firth, NE Scotland, Orkney: Dry, sunny periods; wind variable or E, light; max temp 15°C (59°F).

Argyll, NW Scotland, N Ireland: Dry and sunny; wind SE, light or moderate; max temp 20° to 22°C (68° to 72°F).

Shetland: Dry, sunny periods; wind S, becoming E, light; max temp 12°C (54°F).

Outlook for tomorrow and Sunday: Little change.

Sea passages: S North Sea: Wind NE, moderate or fresh; sea moderate.

Strait of Dover: Wind NE, fresh or strong; sea rough or very rough.

English Channel (E): Wind NE, fresh; sea moderate.

St George's Channel, Irish Sea: Wind NE, moderate; sea slight.

30-day forecast

The Meteorological office yesterday issued the following forecast for the next 30 days:

The dry and mostly sunny weather is expected to last for the next week or so, with mainly E winds, and highest temp in NW. Rain is expected over most of the country before the end of May, with thunderstorms in S. Some very warm weather is likely early in June with S winds.

Temps are expected to be much above average in Scotland, N Ireland, NW England and N Wales and above average elsewhere. Rainfall totals will probably be near average in S England, S Wales, the Midlands and East Anglia, but below average elsewhere.

There is likely to be more sunshine than usual except near North Sea coasts. Thunder will probably be more frequent than usual in S.

WEATHER REPORTS YESTERDAY MIDDAY: c, cloud; d, drizzle; f, fair; r, rain; s, sun.

		C	F			C	F			C	F			C	F
Akrotiri	s	22	72	Cardiff	s	19	66	Jersey	s	19	66	Nice	r	14	57
Algiers	c	18	64	Cologne	f	17	63	L Palmas	c	20	68	Oslo	f	23	73
Amsterdam	s	17	63	Copenhgn	f	11	52	Lisbon	s	21	70	Paris	s	18	64
Athens	c	18	64	Dublin	s	16	61	London	s	17	63	Reykjavik	r	3	36
Barcelona	s	19	66	Edinburgh	s	15	59	Luxemburg	s	14	57	Rome	r	14	57
Beirut	s	21	70	Florence	c	14	57	Madrid	f	19	66	Ronldswy	s	15	59
Belfast	s	19	66	Funchal	c	19	66	Majorca	f	20	68	Stockholm	c	14	57
Berlin	f	14	55	Geneva	c	12	54	Malaga	s	20	68	Tel Aviv	s	22	72
Biarritz	c	13	55	Gibraltar	s	22	72	Malta	c	20	68	Venice	c	14	57
Birmghm	s	19	66	Guernsey	s	15	59	Manchster	s	20	68	Vienna	f	12	54
Bristol	s	20	68	Helsinki	c	16	61	Moscow	d	5	41	Warsaw	c	10	50
Brussels	s	17	63	Innsbruck	f	15	59	Munich	f	15	59	Zurich	f	13	55
Budapest	c	14	57	Istanbul	c	19	66	Naples	r	17	63				

At the resorts

24hr to 6pm, May 15

	Sun hrs	Rain in	Max temp °C	°F	
E. COAST					
Scarboro	12.1	—	12	54	Sunny
Bridlington	14.3	—	13	55	Sunny
Gorleston	13.4	—	11	52	Sunny
Clacton	13.0	—	16	61	Sunny
Margate	13.7	—	12	54	Sunny
S COAST					
Hastings	14.2	—	17	63	Sunny
Eastbourne	13.9	—	17	63	Sunny
Brighton	14.0	—	19	66	Sunny
Bognor	14.0	—	19	66	Sunny
Southsea	13.9	—	19	66	Sunny
Sandown	13.5	—	16	61	Sunny
Exmouth	13.2	—	18	64	Sunny
Exmouth	13.2	—	18	64	Sunny
Torquay	13.5	—	17	63	Sunny
Falmouth	13.8	—	16	61	Sunny
W COAST					
Morecambe	11.9	—	22	72	Sunny
Blackpool	13.4	—	23	73	Sunny
Anglesey	14.1	—	23	73	Sunny
Ilfracombe	12.8	—	17	63	Sunny
Newquay	na	—	21	70	Sunny

Yesterday

London: Temp: max 7 am to 7 pm, 18°C (64°F); min 7 pm to 7 am, 11°C (52°F). Humidity 7 pm, 31 per cent. Rain, 24 hr to 7 pm, nil. Sun, 24 hr to 7 pm, 14.2 hr. Bar, mean sea level, 7 pm, 1,028.2 millibars, rising.
1,000 millibars = 29.53 in.

Overseas selling prices

Australia $1.50; Austria Sch [...]; Bahrain BD 0.600; Belgium B frs [...]; Canaries Pes 80; Cyprus 350 [...]; Denmark Dkr 4.75; Finland Fmk [...]; France Frs 4; Germany Dm [...]; Greece Dr 40; Holland Gl 2.25; [...] Rials 110; Iraq ID 0.450; [...] Republic 20p; Italy L 900; Jordan 0.375; Kuwait KD 0.500; Lebanon 4.00; Luxembourg Lf 30; Madeira 35; Malta 20c; Morocco Dir [...]; Norway Kr 5.00; Oman OR 0. [...]; Pakistan Rps 9.00; Portugal Esc [...]; Qatar QR 6.00; Saudi Arabia SR [...]; Singapore $45; Spain Pes 75; Sweden Skr 5.00; Switzerland Sfrs 2.70; [...] LS 4.50; Tunisia Din 0.35; USA [...]; Canada $1.50; UAE Dh 6.50; Yugoslavia Din 70.

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lans to reexamine ecification for cial sciences PhD

ana Geddes
tion Correspondent

ical proposals to tighten the specification for a n the social sciences are considered by the Social e Research Council) after disturbing evi- about the length of time by PhD students to com- their degrees.

council is deeply con- 1 about the findings, as ıpublished, of a survey it urried out into the degree etion rates of 1,837 ch students it funded, embarked on their PhDs 73.

y a tenth of the 1973 completed their degrees the "normal" three- period for which a SSRC is available; 18 per cent ed within four years, and hao a third (31 per cent) five years. By last year, ars after they had begun, t three fifths (59 per cent) had not obtained their es.

se completion rates are than twice as bad as the for PhD students funded e Science Research Coun- RC). A similar survey by SRC, also unpublished, d that two thirds of its nts had finished their es within five years and r cent within four years.

average grant for a PhD nt awarded by both the and the SRC this year 3,000, which includes £850 uition fees and £2,000 for enance. The SSRC funded hD students this year and RC 2,200.

estioned last week by the nons public accounts com- e about the poor comple- rates for social science ral students, Mr Michael Posner, chairman of the SSRC, agreed that the success rate was not good enough, and said that the council had various plans in mind to improve it.

The council did not think that the selection of the PhD candidates, carried out by the individual universities, was at the root of the difficulty, he said. Rather it thought the source of the trouble lay in the specification for what a PhD was, and the way the training was carried out.

In an interview with *The Times*, Mr Posner said that he could not speak for the whole council, but he did not think that a time limit should be imposed on PhD students. However, he believed there should be much closer supervision and more rigorous assessment of their work.

Most, but not all, PhDs in the social sciences should be more closely linked with research operations in universities in the same way as PhDs in the sciences already were. The students' research projects would be less free-standing and perhaps less original, but no less good, he insisted.

Research topics that formed part of a coherent research programme might be allocated, after consultation, to students rather than the individual student working out his own, sometimes rather abstruse, topic for his PhD thesis. That could help to reduce the time taken to complete PhD degrees.

"I think that many, but not all, university social science departments ought to change what they mean by a PhD," he said. They should distinguish more clearly between doctoral and post-doctoral work, and give PhDs earlier. The PhD could become a rather different type of qualification.

Mr David Scott Cowper, who sailed solo round the world, returning home to Newcastle upon Tyne yesterday with his wife and son.

Councillors 'leaving because of cash loss'

By Christopher Warman
Local Government Correspondent

Councillors were being forced to leave local government because they could not afford the financial loss, Mr Tony Phillips, chairman of the executive committee of the Association of Councillors, said in London yesterday.

He claimed that councillors had to dip into their pockets and said they should receive adequate compensation for their time and loss of earnings. "I do not believe councillors should be paid, but they should not be penalized financially by becoming an elected member."

Mr Phillips rejected the suggestion that the lack of compensation resulted in a lower calibre of member, but said that councillors became disillusioned after a term and left.

The system was deterring people from entering local government, Mr Phillips said. In his authority, Wiltshire County Council, 33 of the 79 members in the last election had been returned unopposed.

In 1973 the attendance allowance for councillors was fixed with a maximum of £10 a day. It is still less than £14, an increase far below the rate of inflation.

Mr Barry Rose, president of the association, which is celebrating its twenty-first anniversary, asked councillors to stop being apologetic.

"Constant vigilance is needed in order to preserve and enhance our democratic system of local government, and I am afraid that the role and status of the elected member are under increasing threat from central governments, from non-elected public bodies, and from the growth of specialization and sophisticated management techniques, many of which serve to enhance the effectiveness of the officer but regretfully at the same time tend to ignore the position of the elected member, who can increasingly find himself isolated."

The association announced an inquiry into support services for councillors, to seek ways of improving the effectiveness of the elected member.

Builders call for more action on housing

By John Young
Planning Reporter

Without more positive government action the housing shortage would become much worse in the next decade, the House-Builders Federation stated yesterday in evidence to the Commons Select Committee on the Environment.

The federation expressed grave concern at the Government's evident decision to ignore the projections of demand contained in the 1977 consultative document on housing policy.

In the absence of an agreed forecast of total needs, authorities were unable to plan adequately, it pointed out. If the 1977 projections were valid, structure plans for housing were falling short by about 30 per cent a year.

"Whatever the exact numbers required, new housing requirement will be greater than in the 1970s, while all current planning policies are founded on the intention that fewer houses will be built than at any time since the war", the federation stated.

The latest public expenditure cuts meant that no more than 40,000 new homes a year were likely to be built by local authorities. To meet the 1977 projections, therefore, the private sector would have to build up to 250,000 homes a year, if all the gains made in overcoming housing shortage in the 1960s and 1970s were not to be lost in the 1980s.

The most likely reason for private builders failing to reach that level would be the inability of successive governments to create a framework for the planned release of land.

Mr Tom Baron, one of two federation members who appeared before the committee yesterday, said the industry could not afford to tie up so much capital in "land banks". There was an urgent need for radical changes in the planning system.

On council house sales, the federation observed that they would have only a marginal effect on meeting the demand for owneroccupation.

The most serious consequence in the short term would be on mortgage availability. In the prevailing market, which was starved of funds, the effect could be mitigated only by making separate funds available to finance sales, or by local authorities' converting housing revenue account charges into mortgages.

The price for the Government of introducing that "self-financing" method would be its inability in the short term to reduce the public sector debt. But it was a price it should be prepared to pay; otherwise, by attempting to fund council-house sales through building societies, it would be robbing Peter to pay Paul.

Mrs Thatcher rejects nuclear safety 'gift'

By Frances Gibb

In the event of a nuclear war the Prime Minister at least is assured of some protection: to the extent that any protection can be assured by a jar of Vaseline.

The jar was presented at 10 Downing Street yesterday as a token gift by a group of Young Liberals anxious to provide Mrs Thatcher with the materials the Government has deemed necessary for a fallout shelter.

Apart from the Vaseline, the exact purpose of which is not clear, the Stationery Office booklet, *Protect and Survive*, suggests the use of some doors, bags of earth, a makeshift lavatory, sticking plaster and some strong disinfectant. Would the Prime Minister, the Liberals asked in their letter accompanying the gift, be happy to entrust her life and those of her family to three doors and some sandbags?

The materials were taken to Downing Street, but police ensured that no more than the letter and Vaseline reached the door of No 10. The refusal of the gift was no surprise. "We realize", the letter said, "that far more adequate provision has been made for you and senior members of Government, so you will probably reject our gift".

They also criticized the fact that the booklet appeared on bookstalls with no advance publicity. Mr Richard Ross, chairman of Oxford City Young Liberals, who organized the demonstration with London Young Liberals, said: "It was first seen on Sunday at Newcastle, and then on Monday at Charing Cross bookstall, with absolutely no prior publicity

Nurses want same rise as doctors

By Our Health Services Correspondent

The Confederation of Health Service Employees (Cohse), which represents 130,000 nurses, yesterday gave a warning that if doctors received a pay increase of about 30 per cent, as has been rumoured, it would not be prepared to settle for the 14 per cent the Government had offered nurses.

Mr Albert Spanswick, general secretary of Cohse, told the Government that if the rumours were true it would expect its pay negotiations to end as generously.

"Our own pay settlement is already nearly two months overdue in an attempt to get a fair deal for nurses. Despite an appeal to the Secretary of State for Social Services we are being told we must stay within the 14 per cent pay bill.

'Harm' in university cuts

By Our Education Correspondent

The Government's "huge cut" in university finance will harm both the education of British students and university research, Dr Andrew Taylor, president of the Association of University Teachers, said yesterday.

Addressing a meeting of the union's council in Liverpool, he said: "If any university fails, even by the smallest of margins, to attract enough overseas students at the new fees and so recoup the finance now being withheld, then they must make further cuts in research and further reductions in staffing levels, with a consequent further loss of places to British students."

However, he did not believe that there was any immediate need for "scaremongering concerning redundancies". Staff were being reduced by natural wastage. Nor was there any need for academics to seek pay rises of "one penny less than they are entitled".

He was concerned by the recent proposals for rationalization in universities; that would not necessarily save money, nor had rationalization much to do with making universities more efficient. It was more a matter of cutting back on subjects that were seen as easy targets.

olice witness's denial ver use of truncheons

icholas Timmins

special patrol group ser- t denied yesterday that he failed to record the use of heons in Beechcroft Ave- Southall, London, because new unauthorized violence been used in the street e Blair Peach, a school- ıer, received a fatal head y during the demonstration ıst the National Front in l last year.

rgeant Anthony Lake, then the No 1 unit of the group, asked at the inquest on Mr h at Hammersmith why he omitted all reference in the e log to truncheons being n in Beechcroft Avenue. aid he did not know.

r Richard Harvey, for the -Nazi League, said that he given a somewhat detailed unt in the log of earlier ts in Park View Road.

rgeant Lake said: "Yes, could remember that quite ly. I have never experi- d such violence before."

r Harvey asked whether he failed to record the use of cheons in Beechcroft Ave- "because you knew that thorized violence had been l in Beechcroft and Orchard nues".

rgeant Lake replied: "That definitely not the case."

ıe officer referred to a ting he had in a Hampstead lic house with Inspector ı Murray, also of No 1 unit, e weeks later. He said the ting was to discuss a sponsored parachute jump. He denied that he had discussed with Mr Murray what happened in Beechcroft Avenue.

Sergeant Lake also said that when he was at the bottom of Beechcroft Avenue he saw a police carrier loading up with policemen, although when questioned he could not remember the identity of any of them.

He agreed that he at least knew by sight Inspector Hopkins, Police Constable Page and Police Constable Biot, all of whom have said they got on the carrier there, although the driver of the van, Police Constable Raymond White, said that he drove the carrier away from the corner empty.

Sergeant Lake said that when he was at the bottom of Beechcroft Avenue he got out his radio and called his carrier down the road. It was put to him that the driver of his vehicle, WPC Janet Dorey, had said she followed him and the rest of the crew down the road after they had disembarked, apparently on her own initiative.

Sergeant Lake said that he could not see the carrier when he radioed for it. Mrs Dorey might not have heard his call.

The hearing also heard evidence from four other special patrol group officers from the same unit, none of whom could remember civilians or police oficers on the corner of Beechcroft Avenue and Orchard Avenue when they were there.

The hearing continues today.

Brothel case woman's sentence cut

A woman sentenced to imprisonment for keeping a disorderly house, had her 18-month sentence reduced to six months in the Court of Appeal yesterday after Lord Justice Lawton described it as one of the worst cases of brothel-keeping he could imagine.

He criticized unchecked evidence given at a Crown Court hearing that barristers, managing directors, accountants, an Irish MP and a member of the House of Lords had been among 53 men found at the brothel.

There was no basis for allegations, he added, and the court had checked the names supplied by the police against the Bar List and had found no barrister among them. The name of the peer did not appear in *Who's Who*.

Mrs Cynthia Payne, aged 46, had pleaded guilty at Inner London Crown Court last month to exercising control over three prostitutes and keeping a disorderly house at Ambleside Avenue, Streatham, London.

Law Report, page 11

ecturer tells of pressure by neighbours hen an Asian wanted to buy his house

m Arthur Osman
ningham

college lecturer said at mingham County Court yes- day that he and his wife, schoolteacher, argued over moral issues when an Asian ered to buy their house in a d residential area.

le said neighbours had asked whether he would sell to Asian; at first he was dly amused by the question, later became "shocked and et".

Ar Albert Marsh, a lecturer industrial law at Redditch lege of Further Education, reford and Worcester, told court that he and his wife ided the matter on commer- l grounds. They sold the se to a white man who had de a better offer.

The Commission for Racial uality sought a declaration of reach of the Race Relations , alleging that Mr Samuel yd and Mrs Mary Sabin, neighbours in Southcrest Road, Redditch, had attempted to induce Mr and Mrs Marsh not to sell to the Asian.

The commission also sought an injunction restraining them from similar acts in the future.

At the time of the alleged incidents 15 months ago Mr and Mrs Marsh, who now live at Oversley Mill House, Alcester, Warwickshire, lived in Southcrest Road.

Under cross-examination by Mr Anthony Hughes, counsel for Mr Lloyd and Mrs Sabin, Mr Marsh agreed that people of different ethnic backgrounds would be seen "toing and froing" from his house. Asked if it was a fact that "the arrival of a foreign family would have had an effect on house values", he replied: 'I believe that it could".

Mr Marsh told Mr Peter Susman, for the commission, that he had asked £26,000 for the house. A Mr Emeney, who was white and subsequently bought it, viewed it first and was followed by a Mr Bukhari, an Asian, who arrived with his family.

Mr Bukhari had asked if Mr and Mrs Marsh would accept £26,000 to include all fixtures and fittings. Mr Emeney at first offered £25,250, but later increased it to the asking price.

Mr Marsh told the court that Mr Lloyd, with whom he and his wife did not have any social contact although they had been neighbours for 10 years, spoke to him, saying: "You are not thinking of selling to Asians, are you? You would not leave us with a legacy like that?"

He and his wife saw the issue as whether it would be fair to sell the house to the Asians under pressure and the sort of life the Asians would have if they moved in against their being unfairly denied access to property. They eventually decided the issue on commercial grounds alone.

ɜreenpeace fined for defying court order

Pearce Wright
ence Editor

Three directors of Green- ace, the environmental pro- tion organization, were fined the High Court yesterday contempt and were ordered pay the costs of a case ought by the British Trans- rt Docks Board.

Mr Justice Pain fined Peter lkinson, Allan Thornton and vid McTaggart £100 each and eenpeace Ltd £500 after the fendants admitted having in- nged a court injunction.

The case brought by the cks board related to a protest March organized by Green- ace against the unloading of ste nuclear fuel from Japan Barrow-in-Furness docks.

The board acted on the und that Greenpeace dis- eyed a court order of uary 24 that it must refrain m "causing or encouraging physical obstruction which ght impede the free movement of vessels into or out of Barrow".

Greenpeace failed to get the injunction lifted at a High Court hearing on February 6, and in March more than 200 people took part in a protest against the shipment of nuclear waste into Barrow.

Only Mr Wilkinson was present at the protest at Barrow, but all three accepted that an infringement had been committed when the vessel, the Pacific Fisher, negotiated the approach channel to the docks and was manoeuvring through a lock at the harbour entrance. But they said that that was unintentional, and that they had not set out to defy the court.

The Pacific Fisher's cargo was being shipped to British Nuclear Fuels' reprocessing plant at Windscale, Cumbria. In the approach channel to Barrow docks several high-speed inflatable craft weaved in front of her bow and entered the lock with her.

The original claim by the defendants was that free navigation of a 4,000-ton oceangoing ship could not be impeded by the actions of small inflatable rafts.

On the evidence presented by the docks board, they accepted that they were wrong.

Summing up, Mr Justice Pain said that it would be wrong to regard the proceedings as an attempt to prevent free speech. He accepted that the defendants had very strong feelings about a matter that was of importance. But the plaintiff had a public responsibility to ensure the proper running of the docks.

"Hazard to lives": A Greenpeace statement issued after the hearing said that its actions were not intended as a contempt of the High Court ruling. But it believed that the shipment of foreign spent nuclear fuel to Barrow presented an unacceptable hazard to the lives of the townspeople.

HOME NEWS

MPs to hold inquiry into D-notice system of self-censorship by British press and broadcasting

By Peter Hennessy

The House of Commons Select Committee on Defence is to investigate the D-notice system, the method of voluntary self-censorship adopted by British press and broadcasting organizations on defence and intelligence matters in co-operation with the Ministry of Defence, and the Foreign and Commonwealth Office and the Home Office.

It will be the first time in its 68-year history that the Defence, Press and Broadcasting Committee, on which the representatives of Fleet Street and Whitehall sit, has been examined by a Commons committee. The system was last reviewed in 1967 by the late Lord Radcliffe

Twelve D-notices are in use today. All were issued by the Defence, Press and Broadcasting Committee in 1971. The subjects range from the country's readiness for war to nuclear weapons and the British intelligence services.

The system was challenged earlier this year by the *New Statesman* magazine which published articles on intelligence and security organizations and the use they make of telephone tapping. The series was in direct contravention of the letter and spirit of D-notices Nos 10 and 11. The journal's editor, Mr Bruce Page, conducted a correspondence with Rear-Admiral William Ash, secretary of the Defence, Press and Broadcasting Committee, in which he suggested that the system's involvement in domestic affairs in peacetime was "illegitimate".

Doubts about the continued raison d'être of the system have been raised privately by Mr David Chipp, editor-in-chief of the Press Association and a member of the committee. The Ministry of Defence has taken the view that, were the committee to be disbanded, ministers would insist on a legal replacement which would bite directly on press freedom in the defence and intelligence areas.

Recent concern inside the D-notice committee about the physical danger to security, intelligence and police officers in Northern Ireland has also led to the suggestion that a voluntary code of conduct might be prepared to supplement the D-notices. The press would be asked, for example, to refrain from publishing the addresses of the General Officer Commanding in Northern Ireland and the directors of MI5

The idea of a Commons investigation came from Mr John Gilbert, Labour MP for Dudley, East and Minister of State for Defence from 1976 to 1979. Mr Gilbert will chair the select committee when it meets specifically to examine the D-notice system. MPs meet on Tuesday to consider how the inquiry will be conducted.


Mr John Gilbert: Originator of call for an inquiry.


Rear-Admiral Ash: Secretary of D-notice committee.

'Spy in sky' pilotless aircraft due in mid-1980s

By Arthur Reed
Air Correspondent

Britain is to have its own full-scale pilotless aircraft able to act as gunnery target-spy in the sky, or remotely-controlled missile, in service by the middle 1980s.

Coded Asat (Advanced Subsonic Aerial Target) it is being developed under a Ministry of Defence contract worth £1.5m at Wimborne, Dorset, by Flight Refuelling, a company established in the 1930s by the late Sir Alan Cobham, the aviation pioneer.

The fuselage is taking shape and the first of eight test aircraft is due to make its maiden flight by the end of this year.

The aircraft looks something like the wartime German V-1 flying bomb, but has its jet engine, developing 240 lbs of thrust, slung beneath the fuselage. It takes off from a circular race track mounted on a trolley, which is then jettisoned.

Once airborne it is controlled by an advanced microelectronics brain supplied by Japan. Flight is preprogrammed, and can be sustained for up to an hour and a half.

The aircraft's controller on the ground can cancel the flight at any stage by sending a signal which switches off the engine. Parachutes stowed in the tail then open automatically, and the Asat floats down.

The main role of the aircraft is to simulate low-flying intruder aircraft for the crews of Rapier anti-aircraft missiles guarding airfields and other important sites.

It can also be adapted to carry cameras for airborne reconnaissance, electronic equipment for jamming enemy radar transmissions, or explosives and a remotely-piloted missile.

Other Nato nations are expressing an interest in it, and 50 aircraft a year valued at £2m could be produced.


Photograph by Charles Milligan

A fireman wearing protective clothing to deal with chemicals leaking from tanks in Clerkenwell Road, London, yesterday.

Court shorthand sta[f] angry over tendering

By Lucy Hodges

A traditionally sedate group of employees, the court shorthand reporters, are so angry about the Lord Chancellor's new system of organizing their work that they are talking about withdrawing their labour. That could bring the proceedings of the Court of Appeal in London and the crown courts on the Western circuit to a halt.

The dispute revolves around a new system of tendering announced by the Lord Chancellor's office when the Conservative Government came into power, under which the firms of court reporters were invited to tender for work in different parts of the country. A verbal understanding was reached by most of the companies that they would not poach on one another's territory and that they would put in bids for their existing jobs.

One firm, Baines and Company, of Weymouth, did not, however, agree to abide by that gentleman's agreement. It put in tenders for court work it had not hitherto undertaken, and was granted the contract for the whole of the Western circuit. That will not only mean that one company, Lloyd Woodland, which has been operating in Hampshire for the past 40 years, will have to close down but that other companies will have to shed employees.

That has so outraged the three other companies concerned that their professional associaton, the Institutute of Shorthand Writers, has written to Lord Hailsham of St Marylebone to protest.

Mr Paul Sanders, who runs Hibert and Sanders, said he would lose 60 per cent of his work and maybe 13 staff to Mr Baines. His firm was founded in 1861 by his great grandfather and is the[…] family firm of shorthan[d…] ers in the world. "This [...] dous new idea of ten[dering] was thrust upon us against the will of the [...] sion", he said.

Mr Sanders and his [col]leagues are also angry ab[out the] way in which the tenderi[ng was] carried out. Mr Barry [...] principal of Baines and [Com]pany, tendered on the bas[is] he would be picking up [...] his rivals' notetakers if [...] was successful. "We thi[nk] is completely unethical [...] Sanders said. "That i[s not] proper tendering in the [...] is understood."

The recommendation [...] tender system came ou[t of a] study group set up b[y the] Lord Chancellor's office [...] years ago. Mr Baines sa[id the] idea was to introduce [...] competition into an a[rea] which it had been pre[viously] unknown. "These older [...] think they have a Go[d-given] right to keep this going [at the] expense of the taxpaye[r]" [he] said.

His firm, which is on[ly ...] years old, had put in a [...] tender because, he thou[ght it] had kept its expenses cla[...] a minimum. "In this w[ay we] will not rook the countr[y or] waste public money", h[e ...]

Mr Baines said he [had] refused to go along wi[th the] gentleman's agreement b[ecause] he thought it was wron[g. It] would not be free ten[dering] and it would not be go[od for] the country", he said. B[ut his] firm was giving an ass[urance] to all notetakers put [out of] work by their p[revious] employees that they wo[uld be] given jobs with him, an[d] they would not be paid [below] levels recommended by t[he In]stitute.

Rail bicycle concession not enough, users say

By a Staff Reporter

Many bicycle enthusiasts are angry about British Rail's new concessions for carrying bicycles on trains in and out of London, which they say do not go nearly far enough and create a messy patchwork of arrangements.

British Rail announced its new scheme this week after a 12,000-signature petition had been handed in by two of the main bicycle lobbies, Friends of the Earth and the London Cycling Campaign.

From June 2 cyclists will be allowed to take their machines on peak-hour trains at a charge of 50p a day, but only if they use Paddington, Euston, Marylebone or St Pancras stations. Outside the peak hours the bicycles will be carried free to and from any station.

Until last January British Rail operated a free bicycle scheme; but it decided to ban all bicycles from trains in the peak-hours after complaints from commuters that cyclists held them up at the barriers. Mr Anthony Ambrose, of the London Cycling Campaign, said British Rail had offered no evidence of such complaints.

If they were true, bicycles could be left in the guard's van for two or three minutes to let the passengers off first, he said. "British Rail is not accepting that it has any responsibility to provide for this growing demand for a service.

"It has made a derisory offer and the plan to charge will dissuade people from taking bicycles to work. Moreover, there will still be empty guards' vans coming in and out of London."

Libel damages for ex-President of Seychelles

Mr James Mancham, the former President of the Seychelles, accepted substantial undisclosed damages in the High Court yesterday in settlement of a libel action against *The Financial Times*.

Mr David Eady, his counsel, told Mr Justice O'Connor that Mr Mancham felt that an article in the newspaper could be understood to mean he was guilty of corruption during the 1974 elections and that he unconstitutionally postponed elections

He felt the article also suggested that he spent most of his time enjoying himself abroad while pretending he was looking for investment for the islands.

Mr Charles Gray, counsel for the Financial Times Ltd, and Mr Colin Inman, deputy surveys editor, apologized on their behalf.

Irish cardinal condemns man's murder by IRA

The murder of Mr Anthony Shields by the Provisional IRA was condemned yesterday by Cardinal Tomas O'Fiaich, Roman Catholic Primate of All Ireland.

Speaking at a parish in co Louth, in the republic, the Cardinal said: "This is the kind of brutal act which the Pope requested us to call by its proper name of murder. Let no one try to suggest that this crime has anything to do with patriotism."

The Provisional IRA admitted responsibility for killing Mr Shields, who was kidnapped at the weekend, claiming he was a police informer.

The Cardinal added: "I know how deeply many of you feel about the unnatural division of our country.

"But I know also that you realize that the political problems of our country cannot be solved by methods contrary to God's law."

Life ban on man who hacked his dog to death

Eustace Morris, aged 72, a church verger, who was said to have hacked to death his cross-bred collie dog with a meat cleaver, was barred by the Isle of Wight magistrates yesterday for life from keeping a dog. He was given a conditional discharge for one year and ordered to pay £5 court costs.

Mr Morris, of High Street, Brading, Isle of Wight, pleaded guilty to cruelty two weeks ago. He had been remanded on bail for a social inquiry report.

Appeal for rehousing of elderly near relatives

By Pat Healy
Social Services Correspondent

Frail elderly people are being forced into institutions because too few councils will consider rehousing them near friends and relatives who could help, Age Concern said yesterday.

The organization is urging the 130 MPs in the Parliamentary Group for Pensioners to change the situation by amending the Housing Bill, due for report stage on Monday.

Only a quarter of local housing authorities are willing to rehouse elderly people from outside their boundaries for "social reasons", according to a Department of Environment survey published in January.

Yet moving them to accommodation near relatives or friends willing to offer support could enable old people to remain in the community longer, Mr David Ho[bman,] director of Age Concern [told] MPs in a letter re[leased] yesterday.

Mr Hobman is urging M[Ps to] amend the Housing B[ill to] ensure that all h[ousing] authorities set an annual [quota] of lettings to rehouse e[lderly] people nearer relatives. [With]out such a duty the h[ousing] mobility scheme anno[unced] last month by Mr John St[anley,] Minister for Housing and [Con]struction, could be ignor[ed by] many local authorities be[cause] it is voluntary.

Age Concern is also se[eking] amendments to the Bill t[o end] all residential restrictio[ns on] applications for c[ouncil] tenancies, and to ensure [that] elderly owner-occupiers w[ill be] able to place their nam[es on] waiting lists.

Half of all housing au[thori]ties will not accept applic[ations] from elderly owner-occu[piers]

Antique dealers' and fine art fairs to be combined

By Our Arts Reporter

An antiques fair to be held at Burlington House, London, in September will combine the Antique Dealers' Fair, which used to be held at Grosvenor House, and the Burlington Fine Art Fair, which has specialized in paintings, Sir Hugh Casson, RA, president of the Royal Academy, announced yesterday.

Last year's fair at Grosvenor House had to be cancelled for the second successive year because of a trade union dispute that began with the dismissal of 28 chambermaids. Their union picketed the hotel. Since 1934 the stands and installations had been built by Beck and Pollitzer.

The same company will be responsible for the fixtures and fittings at the combined fair, which is sponsored by *Burlington Magazine* and Thomson Publications Ltd. Queen Elizabeth the Queen Mother, who was patron of the fair when it was based at Grosvenor House, is to continue as patron.

About 50 dealers are expected to take space and exhibits will be examined by a panel of specialists to ensure that they are of top quality. Abolition of the 1830 limit will permit submission of works of art up to a later period, probably the 1930s.

Mr George Levy, chairman of the executive committee, said that Burlington House was the natural setting for the most important of antique and fine arts fairs, and September's fair would be a curtain raiser to the next one in the same venue in March, 1982.

Lord Drogheda, one of two vice-presidents with Lord Thomson of Fleet, giving a warning against parochialism, said it would be much to the fair's advantage to have leading foreign dealers exhibiting.

Sir Hugh said that space was limited this year for the "pilot run"; a larger area was expected to be available in 1982. It was hoped that it would be a regular series, he said.

The fair will take place from September 9 to 17.

Mercia sound on air

Mercia Sound, the independent radio station operating from Coventry, is to go on the air next Friday.

Ex-police chief dead

Mr Joseph Smalley, age[d ...] a retired police chief s[uper]intendent, was found de[ad in] his car at East Leake, No[ttingham]hamshire, yesterday.

Rapist of schoolgirls is jailed for 15 years

Anthony Clyde Slade, aged 41, who was said to have made tape recordings of himself raping two girls in their beds at public schools, was jailed at Nottingham Crown Court yesterday for 15 years.

Mr Justice Drake told Mr Slade, of no fixed address, who admitted two offences of rape and two burglaries and asked for 225 other offences to be taken into consideration: "I think you are a very dangerous man to society".

The judge said he would have been justified in jailing him for life.

Two other charges of rape and one of buggery, which Mr Slade had denied, were ordered to lie on the file. Mr Slade admitted rape on November 28 and December 4, 1979, and the two burglaries involving about £1,300, both at another school.

The judge said: "It is quite impossible to say what effect these experiences will have upon the young girls for the rest of their lives. The rapes themselves are aggravated by the manner in which you carried them out, forcing young girls to have intercourse in various and different positions.

"You have been convicted on a previous occasion and sentenced to five years for the rape of a young woman. Your previous convictions for burglary and like offences are one of the longest lists it has been my misfortune to see."

Earlier Mr Slade was asked by the judge if he had anything to say and he replied: "The offences of rape are pretty horrendous, to say the least".

Union loses court case

The Civil Service Union's challenge to Ministry of Defence plans to use contract office cleaners instead of direct labour failed in the High Court yesterday.

Mr Justice Forbes ruled that there was no error of law in the Central Arbitration Committee's decision upholding the ministry's refusal to disclose certain terms in tenders submitted by contract cleaning firms.

He dismissed a claim by the union that it was entitled to the information to enable it to carry out collective bargaining on behalf of its members under the Employment Protection Acts.

The union claim was made on behalf of 68 members at Bath who may be made redundant. It is considering an appeal.

Underground halted

The underground railway system in Glasgow was brought to a halt yesterday by a strike by 90 union members protesting over two men on the day of action being allowed to carry out their duties.

Prisoner dies

David James Whittaker, aged 20, collapsed and died in Buckley Hall detention centre, at Rochdale, Lancashire, yesterday while serving a sentence for assault, bodily harm and theft.

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ME NEWS

ind criticizes MP's espicable' remark Broadmoor cases

abel Ferriman
Services Correspondent

the National Associa- Mental Health, yesterlied to the what it called espicable performance" Villiam van Straubenzee, ative MP for Woking- ho attacked the organ- and its director in ent on Wednesday.

an Straubenzee accused f being irresponsible in up the allegations of y made against the staff admoor by two former there and accused Mr Smythe, its director, of n IRA sympathizer.

Bingley, chairman of said his allegations were and "aimed at the des- 1 of Mind by seeking to le the Government to tw the grant it makes to ganization".

vas trying to undermine egrity of Mr Smythe by allegations about his t, before he came to which if repeated outside rivileged conditions of nent would constitute a or court action.

ad been asked to make outside the House and d. "I feel this speaks elf", Lady Bingley said. an Straubenzee was con- in his parliamentary y for the staff at Broad- who were his constituents. too is concerned about ff at Broadmoor and in- he staff throughout the health services, but in t to Mr van Straubenzee deeply committed and ned for the welfare, rights of those who are ly ill", she said.

Mr Smythe categorically denied that he was an IRA sympathizer. He said that in 1967, as general secretary of the National Council for Civil Liberties, he had been asked by a number of groups in Northern Ireland to set up something equivalent to that organization over there. Subsequently the council had also sent neutral observers to some of the civil rights demonstrations there.

"Everything I did was concerned with the advance of civil rights in Northern Ireland. I do not see how that can be construed as support for the IRA, whose activities, as a sponsor of the Peace Pledge Union and long-standing pacifist, I deplore."

He added that successive governments had recognized the work of Mind by increasing its grant in real terms. Last year it had received a grant of £250,000, which represented 18 per cent of its total income.

Mind not only campaigned and took up individual cases but also ran three residential establishments for the mentally disturbed. It was still waiting to hear about its grant for this year.

He wondered what Mr van Straubenzee would like him to do when people came with allegations like the ones they had publicized. "You cannot sit on your hands and ignore them."

Dr Douglas Bennett, vice-chairman of Mind and a consultant psychiatrist, said: "This is a despicable performance for a man who is a representative in Parliament. It brings discredit on himself and on the office of MP."

WEST EUROPE

Last word not yet heard from French

From Charles Hargrove
Paris, May 15

The near unanimous decision of the French Olympic Committee to participate in the Moscow Games appears to have put an end to weeks of rather farcical hesitation and pusillanimous controversy.

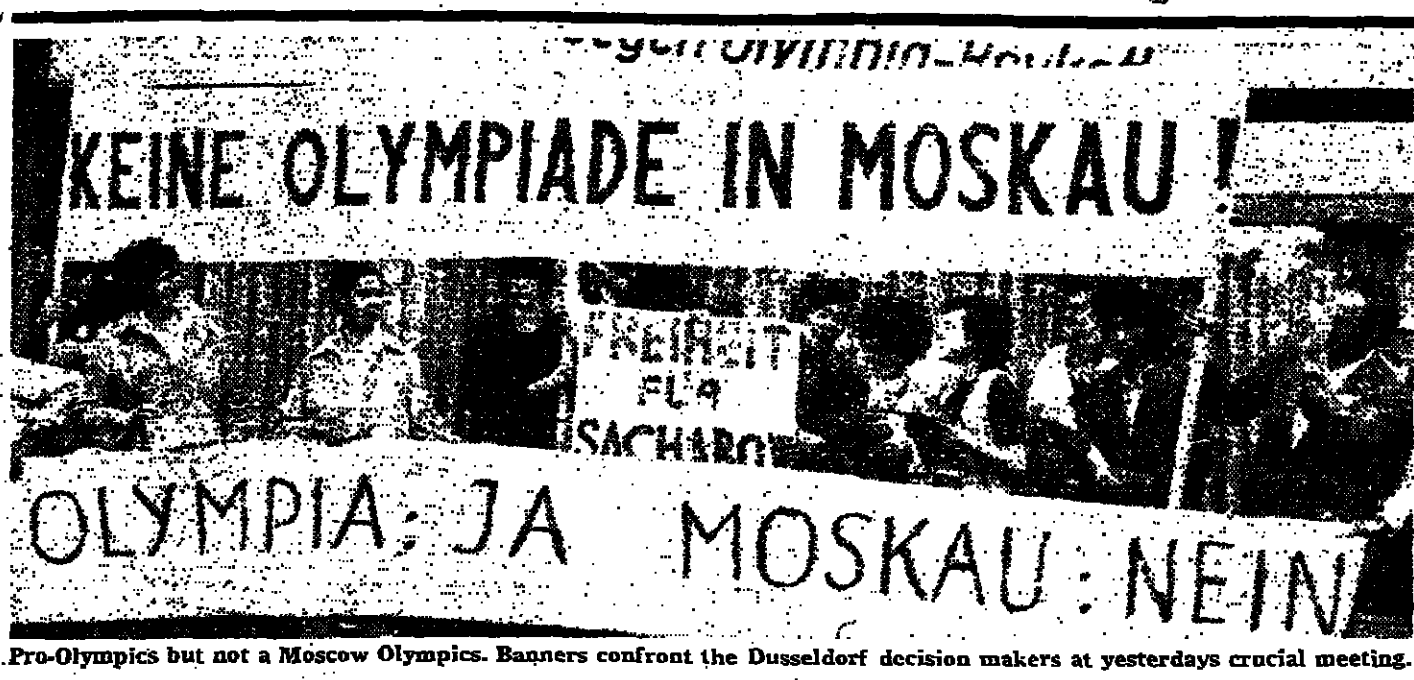
It could be summed up, as one commentator put it the other day, by the search for a formula that would enable France not to take part in the games without in fact refusing to do so.

But the Olympic Committee's "frank and massive" yes to them, which merely confirms the stand it took on January 23, is not the last word on the matter. Without the approval of the Government, which holds the purse strings, no French team can travel to Moscow.

The Government and the Olympic Committee have been tossing the ball back and forth to one another ever since the beginning of the year. The first has maintained that the matter was entirely one of the committee. And the Elysée spokesman yesterday said the Government was not called upon to express an opinion; it was ready to make the necessary funds available.

But he added the substantial caveat that "there is a point beyond which the games would no longer be Olympic". The Government has no desire to see French athletes participate in what would in practice boil down to socialist "Spartakiads", and has been looking hard over its shoulder to West Germany, to see which way the decision of that Olympic committee would go.

Nothing is therefore yet played out.



Pro-Olympics but not a Moscow Olympics. Banners confront the Dusseldorf decision makers at yesterdays crucial meeting.

Admission of individuals to Olympics is nearer

Continued from page 1

as it became clear that the final decision would lie with the NOC, a long and nerve-racking debate began.

The 54 delegates were torn between the weight of public opinion—favouring a boycott—the aspiration of their sportsmen, their political beliefs, personal loyalties, and extremely eloquent arguments both for and against.

Herr Willy Daume, the president of the NOC and aspiring president of the International Olympic Committee, opposed the boycott, and until the end it was not certain which way the vote would go. Television broadcast the scene live all over the country as one delegate after another, mostly elderly but still fit-looking gentlemen, took the microphone at today's crucial meeting in Dusseldorf to plead passionately for or against participation.

West Germany thus becomes the fourth Western European country formally to decide on on a boycott, after Norway, Liechtenstein and Monaco. Britain, France, Finland, Ireland, Denmark, Sweden, Greece, Switzerland and San Marino have decided to go to Moscow.

Italy and Portugal's sportsmen are preparing and likely to go to Moscow but the West German decision is expected to influence The Netherlands, Belgium and Spain.

It will be the fourth time West German athletes have stayed away from the Olympic Games since they were revived in 1896 and the first time they did so willingly. Germany was barred in 1920, 1924 and 1948 after the two world wars.

Games go on: Officials of the Moscow Olympic Committee put on a brave face and said the West German vote would have no effect at all on the games. But Mr Vitaly Smirnov, deputy head of the committee, said he was disappointed at the move which he said had plainly been made under pressure by the Bonn Government.

He added, however, that the games would open on July 19.

Carter compliment: President Carter described it as a courageous decision. The committee, the West German Government and the people of West Germany deserved the admiration of everyone who believed in peace and freedom, his statement said.

Individual entries: The Moscow Games have not quite been knocked out for the count (UPI writes). oFr the International Olympic Committee, which tried to persuade governments to change their boycott stance by dropping national flags and national anthems at the Olympics in a bid to remove politics, now has one ace left to play.

After the May 24 deadline for committees to accept or decline the invitation to Moscow, the IOC will decide whether to alow indiivdual athletes to enter the games if their NOC has boycotted them.

Lord Killanin, the IOC president, has frequently said that as far as he is concerned the athletes will always come first and national committees may now be bypassed. The acceptance of individual entries would cause a delicate political situation in many countries. In the United States, for example, several athletes have made clear they would wish to go while the White House has said their passports would be withdrawn if they tried.

Supporters of the Olympics will be happy that international politics have not floored the Olympic movement completely. Although the Moscow games now may be remembered for the athletes who were not there rather than for those who were, Olympic leaders will hope to pick up the pieces at their major conference in 1981.

3 policemen shot dead in Spanish cafeteria

From Harry Debelius
Madrid, May 15

A gunman killed three members of the National Police Force in a crowded cafeteria, in the northern city of San Sebastián this morning. The Basque separatist organization (ETA) is suspected of being behind the killings.

The three policemen, all in uniform, were having breakfast after duty on the night shift, when the assailant, described as a man aged about 50, stepped up to the bar and ordered a drink. He then pulled out a pistol and shot the policemen. One of the officers managed to draw his gun from his holster, but died before he could fire it.

At least three people were killed and three seriously injured last week in political violence in Basque territory. The dead included two victims of the ETA, and a 17-yearold girl.

Antique watch missing at Geneva auction

Geneva, May 15.—An antique diamond-studded watch disappeared during transfer from a guarded case to the auctioneer's table in a Geneva hotel, the auctioneers said today.

A spokesman for Christie's said the watch, valued at about £20,000, was missing just before it was due to be bold yesterday. Police were investigating.

It was unlikely that it could be resold in its present, distinctive form. The diamonds on their own were not very valuable if the watch was broken up.—Reuter.

overnment ble to to' BBC

nneth Gosling

people realize that the ment has a right to ban rogrammes, Sir Michael , chairman of the BBC, an interview to be shown Granada Television area t and in the London area iday.

d the only comeback we s that we can publicly say vernment has told us not this."

interview is the first in a da series, Public Office, will also feature Sir Peter , chairman of British nd Lord Hailsham of St ebone, the Lord Chan-

Michael, who leaves the anship in July, says that vernment has never in 50 exercised its right to tell 3C what to put on or take ut he thinks it not a bad ition to have in the back- l.

they did not have it I they might be leaning ... I can always say to ister, 'Well, you have got ght of banning this if you , I have said it once or actually." Sir Michael not go into details.

ernments and ministers try to influence the BBC itorial matters as much as believe, he says. "I not think I have seen the Minister on average more once a year since I have chairman, and even the Secretary, who does not n to us about editorial rs – but administrative , I do not see very often."

ed about programme coms, Sir Michael says that gh there are more about anguage than about sex and ice, he does not think, in of the eternal verities, ad language matters quite ch as "going wrong" on d violence.

ny writers take for granthat they use language people outside London uch less ready to accept, Iichael says.

hey have a very difficult etween being auntyish and ssive and equally letting s rip, and I think in al they do a pretty good n this, but we encourage to take a rather firmer about bad language. But k these things slip back ."

Pay demand by prison officers

By Peter Evans
Home Affairs Correspondent

Prison officers meet at Hastings next week for the annual conference of their association with industrial action taking place in most prisons, though inmates are not always affected

The reason for widespread grievance is above all the question of allowances. Officers' action in 1978 led to fears of a breakdown and the setting up of the May inquiry.

The limited action now is not as serious, but it is adding to stress on the system. With dissatisfaction remaining and prisons dangerously overcrowded with a highest ever population of 44,000, the Home Office will be waiting anxiously to see if the conference takes a hard line.

It is expected that there will be calls for a reduction in working hours, and motions about payment for unsocial hours call for big increases in pay.

Ashford, one of the more militant branches, has a motion saying that unless agreement is reached concerning a 42-hour gross working week by January 1, the association "will withdraw from all forms of shift extension which incur unpaid mealbreaks".

Wormwood Scrubs, the scene of a clash last year between prisoners and officers wants the controversial control units reintroduced "with a view to curtailing the possible leadership of riots and subversion".

One symptom of the overstretched system is a shortage of staff, which means that from time to time classes for youngsters aged 14 to 16 years at Latchmere House remand centre have to be cancelled.

Two seamen sentenced

Able Seaman Steven Carr, aged 19, an amateur boxer, of HMS Eastbourne, Rosyth, was dismissed the service and sentenced to a year's detention at a court martial at HMS Cochrane, Rosyth, yesterday.

He and his shipmate, Caterer Ian Ferguson, aged 18, admitted assaulting Leading Seaman Stuart Hepburn, of HMS Gurkha, Rosyth. Ferguson was also dismissed the service with a year's detention.

oliday firm offers 10 days' ur in China for £498

avid Hewson

smos, the second largest sh package tour operator, has specialized in holi- in Spain, announced yes- y that its latest package centre is China.

rting from next winter h holiday-makers will be to buy 10 days in Hong- and Canton for £498 and ys in and around Peking 100 more.

Sidney Silver, managing tor of Cosmos, said that holidays cost about twice uch as a holiday in Spain vould be fully inclusive of hotels, drinks and ettes.

addition, the firm is to holidays to Hongkong for to Thailand for £374, and ri Lanka for £359. The by Cosmos comes after dation in the tourist in- y that the Far East will v Miami as the latest holi- growth market.

re holiday firms are ted to announce cheap ge tours to Asia soon, os's move was closely tied Civil Aviation Authority's ion to break British Air- route monopoly to Hong- by allowing British lonian to compete against ater this year.

Yesterday's announcement by Cosmos emphasizes the vast difference between the prices charged for standard tickets by airlines and those it offers to tour operators.

Cosmos, travelling in British Caledonian economy seats, is offering return air fares to Hongkong and eight nights in a superior hotel for £358, while the lowest year-round air ticket to be bought from British Caledonian to the colony is £415 and a normal economy return is £830.

Similarly, the lowest air fare to Peking quoted by Thomas Cook yesterday was £1,223, some £625 more than the lowest price charged by Cosmos, which includes 10 days' hotel accommodation and food. Mr Stuart Alderman, international director of Cosmos, said that he expected the Chinese holidays to be taken up "by the man on the Clapham omnibus".

"It is cheaper than a winter holiday in the West Indies", he said. "We are not going for a particularly academic client who wants to know about the history and geography of China. We are after the normal touring client."

Children under the age of 10 will not be allowed on the Chinese holidays because of the amount of touring involved.

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WEST EUROPE

Sunshine and impending exams check Paris student violence and isolate professional 'wreckers'

From Charles Hargrove
Paris, May 15

Those looking back with yearning to May, 1968, and the minority of professional "wreckers" among the 800,000 students in this country had reckoned without the sunshine and the Ascension Day holiday today, not to mention impending examinations.

It has as effectively checked the escalation of violence provoked by the accidental death of a demonstrator at Jussieu, one of the Paris universities, as did the Whitsun weekend, which put an end to the students' revolution 12 years ago.

A big display in this morning's press of masked men in crash helmets hurling home-made bombs and sundry projectiles at the police conjured up familiar reminiscences, and sent a shudder down readers' spines before they took to the country or to the sea.

But for 48 hours, the situation was tense, and the clashes yesterday on the fringes of the protest demonstration by up to 15,000 students against alleged discriminatory measures affecting foreign students were fierce and destructive.

The riot police were battling with so-called "autonomous" groups of 200 to 300 trouble-makers, half students half rockers, anarchists at heart intent on causing maximum destruction and disorder.

Apart from the trail of broken shop windows, damaged or burnt-out police vans and private cars, which they left behind them between the Jessieu campus and the Invalides, 45 policemen were injured, 140 persons were detained for questioning and 21 were charged with illegal possession of weapons, looting, arson and assault and battery.

Small groups of young people kept up harassing tactics against the police throughout the night, and some entrenched themselves in the campus itself.

During yesterday's demonstration, it was clear that the overwhelming majority of those taking part strongly disapproved of the "wreckers", and the organizers clashed with them on several occasions in an attempt to cut short their attempts to cause trouble as the marchers moved along the Left Bank. Thanks to their efforts, it remained orderly on the whole.

But even newspaper reporters on the spot, with little sympathy for the excesses of the ultra-left, described the attitude of the police as unnecessarily provocative, with a display of force and an unnecessarily liberal use of tear gas grenades which could have touched off dangerous reaction of sympathy among the "uncontrolled elements".

Unlike 1968, when the Government was hamstrung in its efforts to deal with a deteriorating situation by the sympathy of the public for the students, there has been nothing like it on this occasion.

The average Frenchman is fed up with years of sporadic unrest in schools and universities; he is obsessed with the fight against delinquency, crime and terrorism; and is pathologically thirsting for law and order. The Government knows this

M Christian Bonnet, the Minister of the Interior, touched the right chord when he told the National Assembly yesterday: "You want firmness, and you shall have it. There is no privilege of immunity which can be objected to the police acting against those caught in the act.

"The Government cannot tolerate that under cover of interminable studies, some elements should try to slip into our country to pursue activities which have only a remote connexion with those of foreign students."

The minister pointed out that there were five times as many foreign students in France as in the United States, and 10 times more than in Russia. Out of the 830,000 registered students, 108,000 are foreigners.

"The real students are always welcome here. France wants nothing to do with the others", he told a Republican Party meeting earlier this week.

He went on to emphasize that the language test for foreign students instituted by the decree of December, 1979, which is at the root of all the trouble in the past months, was no luxury since "30 per cent of the foreign candidates to French universities are incapable of writing two lines of French without making 17 spelling mistakes".

Basque climbers reach summit of Mount Everest

Bilbao, May 15.—An expedition of Basque mountain climbers has scaled Mount Everest, planting the Basque flag at its summit, according to a reliable source here.

Señor Martin Zabaleta, aged 30, a native of the village of Hernani near Spain's border with France, was reported to be the first to the top, accompanied by Psalg-Temea, the Nepalese Sherpa guide.

The expedition was mounted by 12 people who left Spain for Nepal in February. It is the twentieth expedition to have succeeded in reaching the peak of the world's highest mountain. The first expedition, under Sir John Hunt, achieved success on May 29, 1953, when Sir Edmund Hillary of New Zealand reached the summit with Sherpa Tenzing.—Agence France-Presse.

President unhurt

Dakar, May 15.—President Sekou Toure of Guinea escaped uninjured from an assassination attempt carried out with a hand grenade, Conakry radio said. One person was killed and 30 others injured in the attack.

Strasbourg Tories yielding to 5% on farm prices

By David Wood

More than a little startled by the Chancellor of the Exchequer's frank reference to the possibility of Britain's withdrawal from the EEC as a last resort, Conservative members of the European Democratic group were moving in London yesterday towards reluctant support of a 5 per cent general increase in Community farm prices.

In return, they would expect a settlement soon on Mrs Thatcher's demand for a broad balance between what is paid into the Community and what is drawn out. Mrs Margaret Thatcher rejected the 5 per cent increase as part of the package offered her at the Luxembourg summit last month.

Meeting to prepare for next week's plenary session of the European Parliament in Strasbourg, Conservative MEPs first heard Sir Geoffrey Howe, Chancellor of the Exchequer, and then Lord Thorneycroft, chairman of the Conservative Party. Sir Geoffrey is said to have left no doubt that a budget settlement was the European priority this year.

That issue will arise next Wednesday when Signor Emilio Colombo, the Italian Foreign Minister, and president of the Council of Ministers, makes a statement to the Parliament on the foreign ministers' moves to break the deadlock on British demands for budgetary justice and the countervailing demands of the Eight for a 5 per cent general farm-price increase.

At yesterday's group meeting MEPs told Lord Thorneycroft that there must be much closer cooperation between themselves and Westminster MPs. There is undoubtedly a fear among the Strasbourg contingent that Mrs Thatcher and the Government are setting themselves at the head of a national movement against membership of the Community.

Two of the most distinguished women in European politics have an early opportunity to meet—Mrs Thatcher and Mme Simone Veil, President of the European Parliament. Mme Veil is visiting Britain on June 5 to receive an honorary degree from Cambridge University, and moves are being made for her to see Mrs Thatcher at 10 Downing Street.

OVERSEAS

Warning to skippers as U S acts on Cuba exodus

From David Cross
Washington, May 15

The authorities in Florida today started to enforce President Carter's new decision to halt the flotilla of small boats bringing thousands of Cuban refugees to the United States.

American Coast Guards began warning skippers that they risked fines and other penalties, including confiscation of their vessels, if they returned to Key West with more refugees. The first arrests were expected today as the flow of refugees continued.

In nearby Miami, where many Cuban-Americans live, the Administration opened a family registration office to begin collecting names of Cubans with relatives in the United States, who qualify for entry. Only these refugees, along with political prisoners and people who have taken refuge in the American and Peruvian missions in Havana, will be allowed to enter the United States.

The new policy depends on cooperation by the Cuban authorities. President Carter said the United States would insist that screening of potential emigrants must take place in Cuba rather than in the United States as at present. He had no assurances that President Castro would agree to such terms.

If the Cubans cooperated the United States would provide aircraft and ships to bring qualified refugees to the United States.

Since the flotilla began ferrying Cubans some three weeks ago, about 39,000 have arrived in the United States.

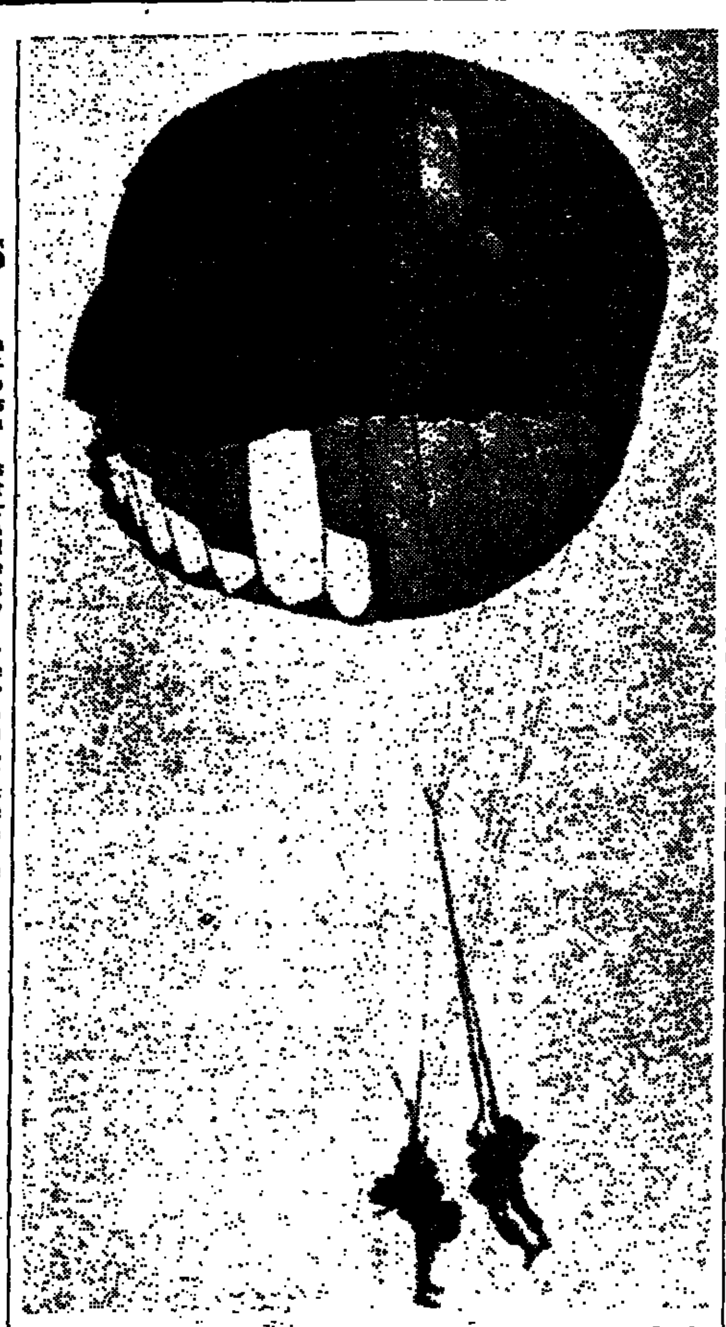
The new programme for dealing with the refugees is the third in as many weeks. The latest change of heart is due to a number of factors, not least of which is growing opposition in Congress and elsewhere to a seemingly endless flow of immigrants when the country is entering a recession.

There has also been concern in the Administration about the deaths during the exodus. At least seven refugees have died at sea. Three were discovered dead today, poisoned by fumes in the hold of a boat which had landed at Key West.

Since the exodus began Mr Carter and his advisers have been hoping that the problem would disappear. But, as the numbers of refugees grew it became clear that some action had to be taken to control the flow.

Press strike spreads

Sydney, Mry 15.—A strike by journalists protesting against the dismissal of 27 sub-editors for refusing to use electronic equipment spread to Perth, Hobart and Adelaide today, affecting the production of most of Australia's main newspapers.



A tense moment for two women as their parachutes become entangled over Fort Bragg, North Carolina. They landed safely.

Iran swept by fear of US-organized coup

From Tony Allaway
Tehran, May 15

Fears grew in Iran today that the United States is planning to overthrow the Government here by an internal coup.

Last night President Abol hassan Bani-Sadr said that 96 American agents had been landed in Iran to direct a campaign of subversion.

Today a statement by the *mujahedin* (religious zealots) of the Islamic revolution predicted that a coup, ostensibly in support of the Ayatollah Khomeini but in fact led by "American mercenaries", would be launched against the Islamic republic soon.

Statements by the *mujahedin*, a group closely affiliated with the clergy-backed Islamic Republican Party (IRP) and with many of the Revolutionary Guards, are usually disregarded as little more than rhetoric. But even leftist political sources who read today's message said the statement was "extremely significant. They seem to know much more than they are saying."

Reprinted in the IRP newspaper *Islamic Republic* under the headline "Full alert to the Muslim people to confront American coup", the statement said that a fifth column of "internal American mercenaries", Freemasons, British intelligence agents and the Israeli Mossad security service were involved in the plot.

The coup would be in the name of saving the Islamic Revolution, but would immediately be followed by "another right-wing coup in the same manner as Indonesia".

The statement said it would be launched by foreign agents in the Army, some of them at high command levels, and former Savak (secret police) agents in the country. The security forces and population needed to be on the alert.

Amidst the many rumours of coup plots in recent weeks, it has been frequently postulated that any attempt to seize power would have to be made in the name of the ayatollah, who still commands the loyalty of the vast majority of Iranians.

Warning the people that the atmosphere in Iran resembled that before the 1953 coup which brought the Shah back to power, the statement urged the security forces to arm ordinary Iranians and form cells based on local security committees or mosques. It also called for surveillance of "suspicious developments in the Army".

The *mujahedin* also repeated an earlier call to the left to cooperate with Islamic groups in confronting the "plot".

It warned members of the ruling Revolutionary Council "who are not fully in (Ayatollah Khomeini's) line . . . to avoid any differences and splits."

Some political observers saw the statement as another element in the IRP's attempt to achieve unchallenged dominance of Iran's political scene.

More tombs to fall: Having demolished the tomb of the Shah's father, the Islamic Judge Sadeq Khalkhali has announced that three more mausoleums near Tehran are to be destroyed They house the remains of Razmara, the Shah's uncle, and two of his military colleagues, Babanian and Lashgari.—Reuter.

Concern over foreign policy failu

Handicap to Carter prospects of election

From Patrick Brogan
Washington, May 15

President Carter's handlers (a term of art meaning those whose job in life is to work for his reelection) are seriously worried that his lack of success in foreign affairs will lose him the election.

Mr Cyrus Vance's resignation as Secretary of State was a blow for the President, despite the acclaim for the new Secretary, Mr Edmund Muskie. How much of a blow showed through last Friday, when Mr Carter left the Rose Garden to campaign for the first time since the American diplomats in Tehran were taken hostage. He was asked about the change and his fears and resentments suddenly broke through his usual self control and discretion.

He was astonishingly and tactlessly rude about Mr Vance. "My hope is that Ed Muskie will play a somewhat different role than the one Secretary Vance played", he said, "because of the difference in background, temperament, and attitude". He could not stop himself. It all came pouring out.

"I see Muskie as being a much stronger and more statesmanlike senior citizen figure, who will be a more evocative spokesman for our nation's policy, not nearly so bogged down in the details of administration of the State Department, perhaps not quite so bogged down in the details of protocol like meeting with and handling the visits of a constant stream of diplomats who come to Washington."

Mr Carter is clearly out of practice. When he has been on the campaign trail longer, he will better to curb his tongue. Last Friday, he said what he really meant, and everyone was appalled.

President Carter seems to believe that the chief job of the Secretary of State is to be "an evocative spokesman of our nation's policy", not to waste his time with visiting diplomats, whose business here is purely protocol. The visiting diplomat Mr Carter and Mr Muskie had seen most recently was Lord Carrington, and, indeed, they accorded him very little time, perhaps an hour between them.

Traditionally Secretaries of State do not indulge in electoral politics. Mr Carter, it would seem, does not attach much importance to that tradition and wants Mr Muskie out on the hustings "evoking" the many successes of the President's policies. He may be disappointed.

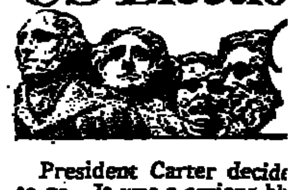
For the moment, though, the damage is the revelation of his conception of the role of a Secretary of State, and his relegation of diplomacy to a matter of protocol.

Mr Carter has a fine sense of the effect that symbolic justice can have on the American electorate. He walked to the White House on the day of his inauguration, he sold the presidential yacht, and addresses the nation in a sweater to show that central heating is a waste of energy.

He has, however, little sense of foreigners' sensitivity. He and his immediate entourage, Georgians to a man, have little time for foreigners, and every so often it shows through.

As Tito lay dying, there was some discussion in the Government whether Mr Carter should attend the funeral. The State Department and the Ambassador in Belgrade strongly advised him to go. They said it would be a gesture of respect for the Yugoslav people that would be much appreciated and would pay dividends in the competition for Yugoslavia's allegiance.

US Electio



President Carter decided not to go. It was a serious blunder, as *The Times* pointed out, and it was compounded by Carter's decision to send his mother. As world dignitaries gathered, the American President and the American First Mother were found to occupy a low position in the order of protocol. Georgians, as we have seen, think protocol a waste of time.

American correspondents in Belgrade picked up Yugoslav unhappiness; the newspapers quoted *The Times*, and the White House got very upset. The Press Secretary called a group of correspondents and told them, unattributably, that the Administration (meaning Mr Carter) was sick of European criticism.

Now, so far as the election is concerned, the voters are not going to care very much whether the Yugoslavs were patronized or the West Europeans abused. They do care and have already noticed that Mr Carter is no longer esteemed so highly as were his predecessors.

The trouble is that Europeans have a low opinion of Mr Carter's abilities, and their opinions have become known here. If Mr Carter were more successful or more popular, the electorate would rally around. As it is, noting that Mr Muskie seems to have shared these European doubts, people are less confident about the President. As well as the burdens of the Iran crisis and the economy, the President has to add an international reputation for incompetence.

Greek President invested

From Mario Modiano
Athens, May 15

Mr Constantine Karamanlis was inaugurated today as President of Greece, with a solemn oath-taking ceremony in Parliament.

Archbishop Serapheim, the Greek Orthodox Primate, resplendent in his gold-braided stole, administered the oath to the new President who, evidently moved, placed a firm hand on the Gospel. He pledged to guard the constitution, defend the country's independence and integrity, protect the rights and liberties of the people and serve their progress and well-being.

Strong applause and cheers followed the new President as he left the chamber. The Opposition deputies stood in silent deference.

Before driving to the Presidential Palace, where he received the good wishes of the Government, the Opposition, foreign ambassadors, state dignitaries and members of Parliament, President Karamanlis laid a wreath at the tomb of the Unknown Soldier.

Mr Constantine Tsatsos, the former President, in his letter of resignation to Parliament invoked "critical international circumstances and grave problems at home" to explain why he was relinquishing his post almost six weeks before the expiry of his tenure.

The manner in which Mr Tsatsos comported himself during his term of office was widely acclaimed.

Lord Carrington sceptical about Kabul proposal

Continued from page 1

powers at their meeting in Vienna this weekend.

Mrs Thatcher, in the Commons, said: "We observed the proposals about Afghanistan which came out this morning. They were not really very different from those which had been previously published on April 17."

She put great emphasis on her comment: "We also observed that they did not make provision for the withdrawal of Russian troops from Afghanistan."

Soviet offer: The Soviet Union today informed India that it would withdraw its troops from Afghanistan if the Islamic conference in Islamabad on Saturday drops its refusal of direct contacts with the Kabul authorities, diplomatic sources said today.

The sources said that the Russians also wanted a "meaningful assurance" from the United States that Washington would not take steps which could threaten the Babrak Karmal government and a guarantee that it would "not meddle in the internal affairs of Afghanistan".

Western diplomatic sources here feel that the new Soviet move is aimed a creating confusion at the Islamic conference which is expected to come out with a strong condemnation of the Soviet action in Afghanistan.—Agence France-Presse.

Silk import curbs

Japan's ruling Liberal Democratic Party is preparing a Bill that would further restrict silk imports, the *Asian Wall Street Journal* reports. If the Bill is approved by parliament, Japan will centralize imports of silk yarn and fabrics as well as raw silk.

Record bids continue at New York art auctions

From Geraldine Norman,
New York, May 15

The excitement generated by the big prices paid in the Ford and Garbisch picture sales in New York this week seems to have rubbed off on the lesser sales that have followed, bringing considerably higher bids than expected.

Sotheby's sale of Impressionist and modern art last night made a total of $7.5m (about £3.3m).

Three new auction records were established for individual artists. There was a new auction record price for an engagingly abstracted Joan Miro of 1939. Sold for $400,000.

There were also auction records for André Masson when his "Man in a Tower" of about 1923 fetched $52,500 and for a Maillol sculpture when "Torso of Venus", one of six casts dating from 1920-25, sold for $150,000.

Christie's sale of Impressionist and modern drawings yesterday also brought much higher prices than in an equivalent London sale last month. The sale totalled $1,052,710 with only 10 per cent unsold. A Giorgio de Chirico drawing of 1917 entitled "Solitude" caused a stir when it was sold for $165,000, easily the highest price on record for a Chirico drawing.

Meyer collection: Sotheby Parke Bernet in New York announced today that they will sell 32 paintings and drawings together with a small but important group of sculptures from the collection of André Meyer in October.

The Meyer sale is likely to be another record breaking event for the art world.

America looks windmills for electrical powe

Cleveland, Ohio, May 1 Thousands of windmills towers 100ft to 200ft high rotor blades 200ft long c supply a third of Amer electricity, the National A nautics and Space Admini tion (Nasa) says.

Using existing technol about 90,000 windmills advanced design, grouped clusters of "wind pc farms" across the Un States, could provide electri at commercially competi rates, Mr William Robbins yesterday. He is head of Na wind and stationary po division.

Mr Robbins said Nasa completed design work on advanced windmill struct and will build a cluster of th this year at Goodnoe H Washington.

Good locations for such wi mills can be found nationw

Warsaw Pact 'peace initiative'

From Dessa Trevisan
Warsaw, May 15

The Warsaw Pact leaders today called for a European conference on disarmament and détente which Poland offered to host. The call, issued on the eve of the Gromyko-Muskie meeting in Vienna, underlined the Soviet block's readiness to improve East-West relations.

At the summit meeting the Warsaw Pact leaders endorsed a 27-page joint declaration which goes over a whole range of problems, lists many of the previously proposed solutions and calls for renewed efforts to convene a world conference on disarmament, thus repeating to a large extent the initiative produced by previous Warsaw Patc summits over a number of years.

The lengthy declaration singles out Nato's decision to deploy medium-range missiles in Europe as particularly dangerous and gives warning of the consequences.

It reiterates the Soviet proposal to freeze the deployment of Soviet SS20 missiles if Nato agrees to do the same.

The declaration also calls on all the 35 signatories of the Helsinki accords to take a constructive stand so that a decision on the convocation of a European conference on disarmament and détente should be taken at the forthcoming follow-up meeting in Madrid.

Although the Warsaw summit did not produce any new proposals, its declaration is couched in moderate language and seems to leave all options open, suggesting a flexible approach.

But the conciliatory tone of President Brezhnev's speech at the end of the two-day meeti with a strong plea for rea and dialogue, is of greater portance than the Warsaw P initiative.

In the current complica situation, he said, it was nec say to cooperate and he rais his voice against a feverish ar race.

Recalling the 25 years of t Warsaw Pact alliance, Mr Bre nev said that its existence h created a basis for a mc realistic approach by Weste governments.

Hopes for peace: A bri Polish news agency repo issued before the publication the joint declaration said t world conference proposal w an initiative by the treaty stat to strengthen the hopes f peace. Reuter.

هكذا من الأصل

هكذا من الأصل

Hebron still simmers with anger of both Jews and Arabs

Christopher Walker
...n, May 15

...id mounting anxiety from ...ing Israeli politicians, this ...ally bustling West Bank ... remained under strict ...w today—the twelfth day ... the Palestinian ambush ... killed six Jewish settlers.

...yet, there is no sign that ...mposing Israeli military ...ce has done anything but ...ntarily contain the spiral ...iolence between Arabs and ... in a town which is holy ...th. Nor has it so far suc...d in tracking down the ...ists, who launched the ...

...e are very fearful about ... will happen if the curfew ...ted," explained Mr Yosi ...er, secretary of the com... which runs Kiryat Arba, ... sprawling Jewish settle... on the outskirts. "Our ...e are very angry, and ... is no saying what a small ...ity might try to do to the ... people if they get the ...e. They think that they ... not been properly ...hed."

...Soft-spoken man with a ...d skullcap on top of his ... hair, Mr Weiner is ...ded as one of the more ...rate of Kiryat Arba's ... inhabitants. But today ... was no mistaking his ... "As a minimum con..., the number of Jews ...ted to live in the centre ...bron should be increased ... punishment," he declared. ...se Arabs are happy now ...se they think they have ... way with it."

... contrast, politicians and ... members of the self-... Israel Council for Israel-...ine Peace believe that the ... Arab residents of Hebron ... already been too severely ...hed by the rigorous con...s of the curfew, the ...d imposed on the town ...ear.

...lier this week, a convoy ...rs from east Jerusalem, ...ng emergency rations to ...on, was turned back on the ...s of the Israeli military ...nment. The authorities have denied allegations by two Jewish Knesset members that the Hebron Arabs are being deliberately starved and ill-treated, but flatly refuse access to check the allegations.

This morning, together with another British reporter, I was angrily turned back by heavily armed Israeli troops after we had passed unnoticed through one roadblock and were driving towards the central market area. A strip of pink paper authorizing the curfew was waved at us and we were threatened with immediate arrest.

On the flat roofs of surrounding houses, sullen groups of Arabs could be seen staring down resentfully as Israeli soldiers in full combat gear patrolled the empty streets in Jeeps fitted with mounted machine guns. All factories, offices, shops and schools were shuttered and in fields near by, the noted local grape crop went untended.

One officer explained that the Arabs were now permitted to leave their homes for two hours every day to buy food, but it was impossible to investigate Arab claims of serious shortages.

Inquiries about the length which the curfew might last were greeted with shrugs. In the past, reporters have often been permitted to enter curfewed areas, but because of the grave nature of the present security crisis on the West Bank this facility has been withdrawn.

Elected Arab mayors have also been warned about the severe consequences which will face them if they talk to the press and a number of foreign reporters have been briefly arrested.

The increased sensitivity of the authorities is at least part explained by the unenviable dilemma which now faces them in Hebron. Any lifting of the curfew is regarded by most observers as certain to result in more violence, yet maintaining it is fuelling both local Arab and international resentment.

Rabbi is suspected of planning reprisal

...usalem, May 15.—Rabbi ... Kahane, a fanatical Israeli ...nalist, was remanded in ...dy today for investigation ...legations that he plotted ... armed vendetta against ...s in occupied territory.

...e Jerusalem district court ...for five hours to consider ... application by Israeli ...rities for the detention of ...i Kahane and another man, ...d as Baruch Green. The ...ng was not made public, ...vere official details of the ...es provided.

... press and radio reports ... have said that the two ... planning an armed attack ...rabs in the West Bank ... of Hebron to evenge the ...g of six Jewish settlers ... by Palestinian gunmen ...weeks ago.

...bbi Kahane is reported to have set up an armed underground to carry out private reprisals against Arabs.

After hearing the case the district court postponed a decision until Sunday and the defendants were ordered to be kept in jail until then.

Fears than an underground Jewish Army might be forming arose after the weekend discovery of an illegal arms cache in a Jerusalem religious seminary. Two Israeli soldiers were arrested in connexion with the find.

Rabbi Kahane has denied that his movement had anything to do with these weapons.

But the rabbi's open threats of an "appropriate response" to the Hebron killings and the reports of a clandestine army have roused fears here of civil war.—Reuter.

Trudeau speech triumph at end of Quebec campaign

... Patrick Brogan
...real, May 15

...e Quebec referendum cam...n is now in the home ...ch, at a stage when people ... heard every argument and ...heartily sick of the whole ...ness.

... Pierre Trudeau, the ...al Prime Minister, there... achieved a great personal ...mph yesterday evening by ...ing a large crowd gathered ...ear his last speech of the ...paign.

...was a striking performance, ... the old Pierre Trudeau, ... unlike the low-key, un...ring oratory he delivered ...ng the general election ...paign. If Quebec voted No ... Tuesday, he said, and thus ...ted the Parti Québécois ... proposal for sovereignty-...ation, the Federal Govern... would immediately begin ...us negotiations with ...ec fo ramending the ...al constitution.

...e alternative, a victory for ...René Lévesque, would lead ...stant stalemate, because the ... provinces, not to mention ... Trudeau and his govern... in Ottawa, would refuse to ...tiate his proposed new ...ionship.

Mr Trudeau made great play with an unfortunate remark by Mr Lévesque, to the effect that Mr Trudeau is not altogether a Quebecker because his middle name is Elliott. The Prime Minister, to loud cheers, said Elliott was his mother's family name, and that the Elliotts came to Quebec 200 years ago.

On future constitutional arrongements, Mr Trudeau said: "I will not accept that a No vote be interpreted by you as a sign that change is not needed, that all is fine. We want change, and we will move immediately to achieve it after our victory next Tuesday."

Canaada, evidently, will never be the same again, whoever wins. One of the leading members of Mr Lévesque's government, Mr Camille Laurin, said that whatever happens, the government would do everything in its power "to appease and to calm" the losers. There has been apprehension that if there is a narrow No majority, the more radical supporters of the PQ would take to the streets.

Mr Laurin said that it was the duty of democrats to accept the verdict of the polls, however disappointing it might be.

General Grigorenko tells of Soviet wave of arrests

...Caroline Moorehead

...ore than 80 dissidents have ... arrested in the Soviet ...n in the last six months, ...rding to General Pyotr ...orenko, the highly decor... former Soviet officer now ...g in the United States who ...siting London this week.

... the same time the condi... under which dissidents ...dy in prison are being ... have grown harsher, with ...er diets and frequent spells ... punishment cells. Those ...e sentences are expiring ... being charged with "anti-...t activities" and given ...ones.

...here has been nothing on ... scale for a very long ...", General Grigorenko ... in an interview with ... Times.

...neral Grigorenko has come ...London to publicize the ...t of these dissidents, whose ...ion has deteriorated ...ly since the Soviet inva... of Afghanistan and in the ... up to the Olympic Games.

He took part yesterday in a mock trial of dissidents held in Central Hall, Westminster, as part of a public meeting on the subject. He is on a European tour before the Madrid conference to review the Helsinki agreement, scheduled for the early autumn.

"Why do we need a Helsinki agreement?" he asks. "The Soviet Union is not honouring their obligations: it has not respected a single article. Neither human rights, nor international exchanges, nor freedom of movement, nor the defence of the environment. These facts have to be faced and made public to the world", he says.

The general was himself a member of the Moscow group monitoring Soviet compliance with the Helsinki declaration when he was stripped of his Soviet citizenship in March, 1978, while on a visit to the United States for an operation. He has not been allowed back.

Former minister and fish-and-chip shop manager leads Uganda

Mr Muwanga is a master of political survival

Kampala, May 15.—The civilian at the head of Uganda's military coup is a rotund man with spectacles who has been an ambassador, a government minister and, in between, a fish-and-chip shop manager in London.

Mr Paulo Muwanga has suddenly caught the world's attention as chairman of the military commission which proclaimed itself the executive power in Uganda, defying President Binaisa who insists he still controls the country.

Associates who have known him for years say he is Machiavellian and pragmatic, "like someone out of Shakespeare—a combination of Falstaff and the Prince". Mr Muwanga, now in his fifties, has played a role in every Government Uganda has had since it gained independence from Britain in 1962.

In 1953 and 1954 he was a member of the central executive of Uganda's first political party, the Uganda National Congress.

Mr Muwanga then left the stage for a time, but reappeared in the 1960s as an official in Dr Milton Obote's Foreign Ministry.

When the Organization of African Unity (OAU) held a summit conference in Kampala in 1975, at the invitation of President Amin, who had by then ousted Dr Obote in a military coup, Mr Muwanga was head of protocol.

Shortly afterwards he became President Amin's ambassador in Paris but like many other Amin representatives the time came when he thought he could not survive much longer. He fled to London.

For a time Mr Muwanga ran a chain of fish-and-chip shops in Bromley.

Eventually he returned to Africa and joined the group of exiles around Dr Obote in Dar Es Salaam.

Mr Muwanga was appointed Minister of Internal Affairs in the new cabinet under President Yusufu Lule. He had the tough job of re-creating a police force and establishing law and order after the war.

Mr Paulo Muwanga: A role in all Ugandan governments.

Soon after taking office President Lule, a conservative elder statesman, was in conflict with Mr Muwanga whom he described as a representative of former President Obote. Last June President Lule reshuffled his cabinet, dropping Mr Muwanga. But the reshuffle led to Mr Lule's downfall and he was replaced by President Binaisa.

President Binaisa reinstated Mr Muwanga as Minister of Internal Affairs but earlier this year he moved him to the less sensitive post of Labour Minister.

Mr Muwanga had played only a small part in government affairs until he emerged as chairman of the military commission of the ruling Uganda National Liberation Front to challenge President Binaisa.

He is one of only two civilians on the military commission, but so far he appears to be the presiding figure. President Binaisa, meanwhile, remains in his residence at Entebbe surrounded by Tanzanian guards, according to travellers, and is in telephone communication with Kampala, through aides.—Reuter.

No army take-over in Uganda, new leaders say

From Our Corresondent
Nairobi, May 15

Leaders of the coup in Uganda said in Kampala today that it was not an army take-over. Members of the military commission of the ruling Uganda National Liberation Front, led by Mr Paulo Muwanga, who was Labour Minister in President Binaisa's cabinet, had decided they must act against what they regarded as arbitrary and dishonest rule.

Mr Muwanga gave this explanation when he along with other members of the military commission, addressed permanent secretaries of government ministries and other senior officials at the conference centre in Kampala.

There was no direct news of Mr Binaisa today but he was believed to be still in the State House at Entebe

President Nyerere of Tanzania is understood to have instructed his own military forces in Uganda to ensure that Mr Binaisa does not fall into the hands of the group which has unseated him.

President Nyerere is anxious to ensure that there is no repetition of the events in Liberia.

Officials present at the closed-door meeting in the conference centre said Mr Muwanga was accompanied by Mr Yoweri Museveni, the Minister of Regional Cooperation, and by three army officers—Major-General Tito Okello, the army commandant, Brigadier David Oyite-Ojok, to chief of staff, Colonel Maruru.

Threat to ban British Lions angers whites

From Frederick Cleary
Salisbury, May 15

Zimbabwe's whites are angry at a Government suggestion that the British Lion's rugby visit to Salisbury next month should be called off. The team is due to play a Zimbabwe national side on June 10 but Mr Cephas Msipa, the Deputy Minister of Sport, issued a statement to *The Herald* newspaper last night saying such a visit would be "inappropriate and an embarrassment to this country".

The statement added that while sporting teams from abroad were welcome the Government would not consider teams that treated Zimbabwe as part of South Africa and this was how the Lions treated Zimbabwe on this present tour.

The minister emphasized that the suggestion in no way affected Zimbabwe's overall policy on sporting links with South Africa. The Cabinet had still to make a decision on this matter.

The Zimbabwe Rugby Union was advised to call off the game. Mr Desmond van Jaarsveldt, the president of the Rugby Union, tried immediately to arrange a meeting with Mrs Teuri Ropa Nhongo, the Minister of Sport, who only recently told him that the Lions match had the blessing of Mr Robert Mugabe, the Prime Minister.

The rugby official was told he could not see the minister until Monday. Should the game be called off it will have a demoralizing effect on most whites who, like South Africans, have a passion for rugby.

What is puzzling is the proposed ban of a British team. Had it been a South African side it might have been understandable. One irate white remarked: "If Prince Charles can come here why not Billy Beaumont?"

The Government has spent about \$(Rhod)10m £7m) paying wages to about 30,000 members of the Zanla and Zipra guerrilla armies. Still based in about 13 assembly camps since the Lancaster House ceasefire agreement was signed at the end of last year, the guerrilla troops are receiving \$(Rhod)100 (£70) a month backdated to March.

Last month, Lord Soames, the former Governor, authorized \$(Rhod)35m in a supplementary vote. A total of \$(Rhod) 10m was earmarked for "associated forces".

The Joint High Command did not want to pay the guerrillas so much money—the same rate of pay as a private in the regular Army—but was overruled by the Government.

Mexican leader in Portugal

Lisbon, May 15.—President José López Portillo of Mexico arrived in Lisbon today for a 24-hour visit and talks with Dr Francisco Sà Carneiro, the Portuguese Prime Minister.

Senor López Portillo, who is accompanied by several ministers, begins an 11-day official tour tomorrow of France, West Germany, Sweden and Canada.—Reuter.

OVERSEAS

Troops guard central Seoul as 30,000 students fight police

From Jacqueline Reditt
Seoul, May 15

Armed troops moved in to guard central streets and key government buildings in Seoul today, for the second day running, because of huge student demonstrations.

Lines of soldiers and dozens of armoured troop carriers took u ppositions around the building which houses the Government offices, sealed off entrances to the presidential residence, the Blue House, and closed the main boulevard leading to the city hall.

They turned back traffic and pedestrians and caused a city-wide traffic jam.

About 30,000 students gathered at the central railway station throughout the afternoon and riot police, using pepper fog and tear gas, were unable to prevent them moving along the main avenue.

One group of students commandeered a police bus and drove it through two lines of police, seriously injuring several of them. Another group set fire to an armoured police van which was spraying pepper gas into the crowd.

Earlier, students from three universities in Seoul, fought with police and broke through the cordons they had set up around campuses. In the south-western town of Kwangju 10,000 students clashed with police and hurled stones at them as they marched through the town to demonstrate in front of the municipal offices.

So far, the troops have not taken any action beyond sounding frequent sirens to warn people to get off the streets and perhaps to deter the oncoming students.

But since early morning the centre of Seoul has been heavily guarded by hundreds of riot police who commandeered dozens of city buses to bring in extra forces.

The students want the immediate lifting of martial law, imposed last October after the assassination of President Park Chung Hee, and for democratic reforms.

One student leader said their present action was on behalf of the general public who were too timid to fight for their rights.

The students have called for the resignations of Mr Shin Hyon Hwack, the Prime Minister, and newly appointed Korean Central Intelligence Agency Chief, Lieutenant General Chun Doo Hwan, but have not mentioned President Choi Kyu Hah because, as one student explained, they consider him a mere puppet of the other two and therefore of no importance.

British captain shot dead by pirates

Manila, May 15.—Pirates attacked a container ship riding out bad weather in Manila Bay and shot dead the British master after demanding money, authorities said today.

One of the ship's 38 crew was wounded when the five pirates opened fire on Captain Arthur Dyason, aged 63, of the 10,000-ton Oriental Ambassador after boarding the vessel at about midnight yesterday.

The ship's agent said Captain Dyason was shot nine times after apparently refusing to hand over money. The attack occurred while the Oriental Ambassador, on its way from Manila to Taiwan, was anchored near the entrance to Manila Bay.

Officials said the ship, owned by the Oriental Overseas Container Lines, based in Hongkong, left Manila yesterday but sought shelter from bad weather.

Pirates on a fishing boat forced their way on to the ship, rushed to Captain Dyason's cabin and demanded money. "I think he refused to give them the money", a spokesman for the agents said. "One of the crew said the captain sort of moved as though he was going to parry a gun pointed at his neck and the pirates probably thought he was going to fight so they shot him."

The pirates fled after the shooting, apparently without taking anything. The ship was brought back to Manila and is to carry on to Taiwan tomorrow.

The wounded man was Mr Lee Kwok Ning, aged 20, a junior engineer from Hongkong. His condition is not serious.—UPI.

Confusion in murder case after plea bargaining

From Ivor Davis
Phoenix, Arizona, May 1·

In June, 1976, Mr Don Bolles, an investigative reporter with the *Arizona Republic* newspaper, started his car, and set off a bomb. Eleven days later he died from his injuries.

There was nationl indignation over the crime. Mr Bolles, it turned out, had been assassinated because he had written a series of stories linking criminals and respectable businessmen to a dubious land sales scheme.

Police arrested Mr John Adamson, aged 36, a greyhound breeder, who allegedly confessed to planting the bomb in Mr Bolles's car. Instead of pressing for the death penalty, prosecutors allowed him to plead guilty to a reduced charge of second-degree murder and he was sent to prison for 20 years.

He was shown leniency because he promised to become the prosecution's main witness against his alleged accomplices. His testimony led to the conviction of Mr James Robinson, aged 57, a plumber, and Mr Max Dunalp, aged 51, a contractor, who were sentenced to death.

Today, after a series of bizarre legal twists, Mr Dunalp is free on bail and his co-defendant is serving a sentence for a minor offence. And Mr Robert Corbin, the Attorney-General of Arizona, is trying to re-try Mr Adamson, for Mr Bolles's murder. This time he is going to recommend the death penalty.

The case illustrates the sometimes hazardous side-effects of what can happen when prosecutors and criminals get involved in the common American legal practice known as "plea bargaining".

In February the Arizona Supreme Court had overturned Mr Dunalp's and Mr Robinson's convictions on technicalities.

Therefore they will also have to be re-tried. But Mr Adamson says he will not testify in a new trial, and that he fulfilled his part of the bargain in the first.

Mr Corbin filed new murder charges against Mr Adamson because of his refusal to help the prosecution.

This week Mr Adamson's lawyers asked the Supreme Court to quash the new charges. The case will be heard at the end of the month.

State funeral for rehabilitated Chinese leader

Peking, May 15.—A funeral ceremony here on Saturday for President Liu Shaoqi who died in disgrace 11 years ago will mark his total rehabilitation by Mao Tse-tung's successors.

An official statement announcing the ceremony today said foreign diplomats and journalists would be barred from attending it. The event will be screened live by Chinese television as was the funeral of Chairman Mao in September, 1976.

Liu was President of China before his disgrace during the Cultural Revolution. He died in detention in Kaifeng, in central China, on November 12, 1969, of an untreated illness.

At the time of his disgrace, Liu was the most serious rival with whom Mao had to contend.

On February 29 of this year, he was formally rehabilitated as a "great Marxist" in a complete turnabout by the Chinese Communist Party's Central Committee.—Agence France-Presse.

Koreans honour inventor of the ironclad

From Richard Hughes
Hongkong, May 15

Koreans this month celebrate the 435th birthday of Admiral Yi Sun-Shin, who invented the turtle-ship, the first ironclad.

With his invention he was able to crush the Japanese Hideyoshi invasion in 1592, but was killed on board an unarmoured ship.

The turtle-ship was a galley, decked with iron plates to protect the rowers and armed with an iron ram shaped like a turtle's head.

The Japanese had a strong force, but no artillery capable of damaging the turtle-ship.

Admiral Yi completed the secret construction of his ships in April 1592. He met the invaders in May, June and July, sinking a total of 177 ships.

The Japanese called off the operation and sought a peaceful settlement.

He was buried in western Korea. In 1967 a shrine was erected.

India in talks with China

From Kuldip Nayar
Delhi, May 15

A senior Indian official from the Foreign Ministry is visiting Peking to clarify the soundings China has been making to improve relations with India.

Mr Huang Hua, the Chinese Foreign Minister, has said he would like to visit India in the near future and Mr Eric Gonsalves, the Indian official, will finalize the trip.

Mrs Indira Gandhi, the Prime Minister, and Chairman Hua Guofeng, met in Belgrade during President Tito's funeral. It was their first meeting and they are reported to have emphasized the need to create the climate for a gradual restoration of friendly relations. Mr Gonsalves wants to discuss in Peking how the ice can be broken between the two countries who went to war in 1962 over the border dispute.

Chairman Hua is believed to have said that India could play an important role towards peace and stability in the region—which is in sharp contrast to China's previously critical attitude towards India.

FOREIGN REPORT

Spain's malaise poses stern challenge for hard-pressed Señor Suárez

"I don't think anybody in the UCD is capable of breaking up the party to form a government with other parties, Señor Adolfo Suárez", the Spanish Prime Minister, said recently in one of his rare meetings with journalists.

There are those in the UCD (Centre Democratic Union) who would disagree, and as a result Señor Suárez now faces the most serious challenge of his political career.

Never has his popularity been lower since he burst on the scene as the bright young technocrat determined to dismantle the structures of the Franco dictatorship and replace them with democratic ones.

Spaniards are concerned: nothing seems to be going right. Political violence is much more commonplace than under General Franco. Crime rates are going up; unemployment is unofficially estimated at 10 per cent and rising; the inflation is running ahead of official expectations.

The courts continue to convict Spaniards for "crimes" of opinion and there are still frequent allegations of police brutality; the central Government is dragging its feet on promised home rule; there is virtually no economic policy and foreign policy is confusing if not ambiguous.

Spanish fishermen are constantly being arrested in neighbouring fishing grounds: Frenchmen burn lorries full of Spanish fruit and vegetables with alarming frequency; the graphs of the stock market and investment keep pointing downward.

In short, in the words of Señor Josep Tarr-Dellas, the outgoing president of the Catalan home-rule government, "Spain is sad. There is lack of faith, of confidence. There is no goal."

The lack of faith and confidence is so severe in Señor Suárez's own party that it forced him to shake up his Cabinet recently, and not even then could he bring dissident "families" of the UCD into harmony.

Disillusionment is evident in the poor showing that the ruling party made in recent regional elections, but it is so widespread that is also cut deeply into the potential votes of the opposition Spanish Socialist Workers' Party, led by Señor Felipe González, an Andalusian lawyer.

Undoubtedly the Prime Minister's "old style of governing", as his opponents within the party call it, has something to do with the sense of let-down. Trained as a promising government official under General Franco, he became the political protégé of the grey eminence

Señor Adolfo Suárez, the Spanish Prime Minister, faced with growing party dissension

of the regime, Admiral Luis Carrero Blanco. He learnt public administration in a school where there was very little emphasis on the public.

In the "old style", he seldom makes a public appearance, rarely grants interviews (and as often as not, when he does, it is with foreign news media), hardly ever appears in Parliament and avoids making statements which might commit him on specific issues.

General Franco cloistered himself inside the gloomy El Pardo Palace. Señor Suárez barricades himself inside the well-lighted Moncloa Palace.

Among his lukewarm or now disaffected supporters are those who feel that he leans too far to the left, others who feel that he leans too far to the right. But the majority of his lost backers are disappointed at his tendency to bypass Parliament and advisers—as in the legalization of the Spanish Communist Party or in the negotiations on autonomy for Basques and Catalans—and his failure to keep the people (or often even his political aides) informed. His personal rule is definitely "old style".

Now, Señor Suárez says, he is going to change all that. The same pressures within his party which forced the Cabinet changes and which were to lead later to the replacement of the secretary-general of the UCD were responsible for a commitment by a reluctant Señor Suárez to make a policy speech in Parliament.

However, when the date of the parliamentary session was set for May 13, the head of government was on a trip to the Middle East. Probably sensing that his position could deteriorate even to the point that he might have to face a vote of confidence, he sent a message from Saudi Arabia asking for a postponement, and the session was put off until next Tuesday.

Calling together the score of journalists who had been accompanying him on the trip for four days and whom he had virtually ignored until then, Señor Suárez announced in Riyadh: "I have made up my mind to stop keeping quiet. My silences have hardly ever been well interpreted. I have tried my best to avoid tensions and perhaps I was mistaken. . . ."

Launching into a counter-attack, he told the newsmen: "I do not intend to remain silent, from now on, in the face of accusations as serious as those which are habitually made against me, and I am going to give the right answer right away, on the spot.

"I am going to take part in events. I am going to appear regularly to give speeches and make comments. I am going to face the news media as well as Parliament."

Whether such good intentions are belated or not remains to be seen. It also remains to be seen whether Señor Suárez's determination to be more communicative falters when he runs into rhetorical fire in the Cortes. Finally, it remains to be seen whether he actually has answers to the many hard questions which need answering if Spain's malaise is to be cured.

In fact the chances of the Socialists' toppling Señor Suárez in a vote of confidence are minimal, and their chances of forging a viable coalition government are slim. In addition, such a coalition would probably bring the Communist Party into the Government, and it is doubtful whether certain already restless elements in the military and police establishment would stand for that.

Even ruling out Communist participation, Spain does not seem ready yet for a Socialist government. In this still toddling democracy, and in the current grave recession, reactions to Socialist rule would probably further depress the economy and heighten political tension. Then, too, there are those who doubt whether Señor González himself is ready for the responsibilities of chief of government.

The apparent lack of an alternative to Señor Suárez makes things all the more dismal for Spaniards. The "old style of governing" is undermining the people's faith not only in Señor Suárez but in democracy.

Harry Debelius

Soviet leadership is faced with a consumer society hurrying to catch up the world

At the heart of almost all corruption in the Soviet Union and of large-scale fraud, such as the recent caviar-smuggling scandal, lies the insatiable appetite at all levels of society for consumer goods. And the Soviet leadership knows that unless the demand is more fully met, crime, embezzlement and corruption, which are so pervasive, are likely to continue and perhaps grow.

The Soviet Union is a consumer society in a hurry to catch up. But the constant shortages of such everyday items as washing powder, needles and thread, toothpaste, light bulbs, clothes pegs and make-up have led to a consumer mentality that only increases the problems of regular supply.

The rule for every Soviet housewife is: buy what you need as soon as you see it because it will not be in stock for long. Better still, buy anything that might be useful even if it is not needed *now* because you never know when it will be on sale again.

The result is that people are ready to dive into a shop at any hour. They carry enough cash and a string bag "just in case" and they buy in bulk, for themselves and for their friends who may not have been so lucky.

Soviet shoppers are used to searching long and hard for what they want, and are not surprised to find, for example, that toothpaste which may have vanished from the shops can still be found at airport kiosks where there is usually little demand.

Visitors here frequently remark that most people in the larger cities are well dressed and appear to enjoy the usual trappings of a consumer society, yet it is hard to find shops selling good clothes or a choice of day-to-day items. Tourists do not see the time and effort spent acquiring these things. They notice only that the average Russian will join a queue, before he knows what is being sold, in the hope of finding something in short supply.

Russians have grown used to shortages, hoarding and disappointment. But consumer demand, spurred by rising expectations, is becoming more insistent.

There are several reasons. First, detente has given many people a vision of the good life. For years the average citizen did not know how his

Shoppers in Moscow's GUM store

standard of living compared with that of other countries. But as more tourists come here and as Russians begin to travel abroad—even if only to Eastern Europe—they realize how many consumer items they lack.

For the past 15 years the Soviet leadership has made a determined effort to supply these needs, but the quantities are never enough, and the tantalizing knowledge of what the privileged or lucky few can enjoy has only increased the frustration of those who go without.

Second, as living standards improve, people have had more time and money to spend on themselves. Political zeal has been replaced by apathy and ideological materialism has turned into acquisitive consumerism. While the older generation complains of a decline in social responsibility and in spiritual values, the younger generation is trying by hook or crook—and often the latter—to keep up with fashion.

And third, the quality of Soviet consumer goods remains, on the whole, disappointingly low. In spite of frequent party exhortations to improve the quality of manufactured goods, the materials are often defective and the finish sloppy. Soviet consumers have grown tired of articles that break after a few days' use, and tend to look enviously at better-made imports from Eastern Europe. A mentality has grown up that regards anything foreign as better.

Pravda noted recently that Russians were becoming more discriminating in their purchases, but said that consumers still left shops feeling dissatisfied because there was little choice. Periodic checks show that many shops do not offer a minimum legal assortment. The reason, the paper said, was that a shop was more able to meet its sales target, which is measured by value sold, by selling a few large items, and so many shops did not bother to stock small essentials.

Last summer the Government issued a decree intended to force factories to take greater note of what consumers wanted, and proposed changing the way output was measured to make it worth producing smaller items. And *Pravda* suggested that shops refusing to provide a choice of items should be penalized by losing bonuses.

Such measures have had little effect. The consumer output is so erratic that mountains of unwanted goods are produced; in 1978 the inventories of goods—especially clothing and footwear—that had to be marked down to less than half price because they would not sell grew by 50 per cent. Total losses from such reductions amounted to more than 1,700m roubles (about £1,215m).

The state also makes enormous losses on the failure to produce vital spare parts, rendering many consumer items useless. A parallel example can be found with radiator valves. Most flats are heated from a central system, and individual radiators are installed without valves. About 10 million valves are needed for individual regulation to be possible, but only half that number have been produced and of these a survey found that about 90 per cent do not work. As a result, heating is on full constantly causing enormous fuel losses.

There are similar problems with spare parts for cars washing machines and the range of consumer durables which often have to be discarded when they break down.

The leadership is committed to improving the output of consumer goods, and has a powerful economic interest in doing so. Money has ceased to be an effective incentive when there is little to *spend it on*, and it is becoming increasingly difficult to entice people to work in vital areas, such as Siberia, by offering double wages without simultaneously providing goods worth buying.

A surplus of cash has done much to fuel the black market, with western goods such as jeans, records, tape recorders and tee-shirts fetching astonishing prices. The large profits to be made encourage crime and racketeering.

However, consumer goods are still relatively low in priority and most Soviet investment is channelled into defence, agriculture, oil exploration, the development of Siberia and heavy industry. Even such items as refrigerators are often made in factories mainly geared to producing military hardware.

Western and Soviet experts predict that the growth rate of the Soviet economy will fall further in coming years as the labour shortage becomes more acute, energy reserves drop and productivity continues at the present low rate.

The Soviet leadership may have to make hard choices and the consumer industry will almost certainly take second place to defence spending. For the average Russian that could mean that the 1970s were the high point for consumer goods and though Russians are extraordinarily long-suffering, the dwindling vision of the good life is bound to produce strong dissatisfaction, leading possibly to greater corruption and restlessness, especially among urban youth.

Michael Binyon

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THE ARTS

Kurosawa unveils a cinematic monument

In prospect the Cannes Festival already looks like the most glittering for many years, with new films by Akira Kurosawa, Hal Ashby, Marco Bellocchio, Bob Fosse, Walter Hill, Alain Resnais, Krzysztof Zanussi, Federico Fellini and even such figures from the past as Samuel Fuller and Jean-Luc Godard.

Easily the most thrilling event so far has been the *return, in brilliant form*, of the Japanese master Akira Kurosawa, now 70. Kurosawa has not had the opportunity to complete a film in Japan since 1969 and *Dodeska-Den*, though in the meantime he made a minor masterpiece, *Dersu Uzala*, in the Soviet Union. Thanks, however, to Twentieth Century-Fox and the personal interest of Francis Coppola (of *The Godfather* and *Apocalypse Now*) and George Lucas (of *Star Wars*), who are credited as executive producers of the international version, he has made the most ambitious film of his whole career in *Kagemusha*.

Set in the late sixteenth century, the period of the Great Clan Wars, it tells of a warrior who confounds his enemies by using a double on the battlefield. When the warrior is killed, his last "kagemusha"—a petty thief reprieved from death—assumes his persona and continues to lead his clan for three years.

Meticulous recreation of period detail goes with spectacle such as the screen has rarely witnessed: battle-ballets backed by blazing sun or the flames of war, standards whipped by ferocious winds. With a tragic climax of Shakespearean grandeur, *Kagemusha* is without question a monument of cinema and the triumph of Kurosawa's own 40-year career.

When a mysterious "film surprise" promised by the festival turned out to be the Soviet director Andrei Tarkovski, *Stalker*, the Russians professed to be as surprised as everyone else. They were embarrassed, too, since the film had been promised to the Venice Festival after a year or more of refusals, negotiations and to visits to Moscow by Alberto Moravia and the Venice director Carlo Lizzani.

At least one can appreciate the nerviness of Soviet bureaucracy in face of this singular, magnificent and deeply obscure fable. Three men—a writer, a professor and a guide—set out from the derelict outskirts of some city, somewhere, some time, in search of the Zone. Their way is beset with traps—shifting sands, floods, fires, bombs, the fire of unseen guns, telephones that snarl threats, their own fears and doubts and quarrels. The quest is eventually in vain and they return to the city. It is never quite clear what they had hoped to discover in the Zone, except that it has something to do with hope and faith, whose rare survivals illuminate their odyssey with flashes of magic. In Tarkovski, whether it wants him or not, the Soviet Union possesses one of the most singular and creative talents in world cinema.

The most harrowing experience of the festival has been *Lightning Over Water*, directed by Wim Wenders and the late Nicholas Ray. In the last six weeks of his life, and the ultimate stages of lung cancer, the American director—a legend for film-makers of Wenders's generation—decided that they should collaborate on a film about his death, and his desire to retrieve the self-respect sacrificed in a life of battles with the Hollywood industry.

The early parts of the film, dominated by Ray himself—*pathetically frail but still forceful* in intellect, humour and courage in face of the inevitable—are remarkable. Later, as he weakens, the intellectual command passes to Wenders, who reveals himself lacking either in humour or discretion. Thereafter the film becomes voyeurist and disgusting.

David Robinson

Kagemusha: meticulous recreation of period detail

The desolate inevitability of separation

The Tin Drum (X)
Odeon, Haymarket

The Evictors (X)
Classics, Victoria and Leicester Square

Towards the end of Volker Schlöndorff's adaptation of Günter Grass's novel *The Tin Drum*, Oskar Matzerath, the 20-year-old narrator, takes perhaps the first truly positive step in his unhappy life. It is 1945 and the Russians have just entered the once Free City of Danzig. Sheltering in a *cellar, he vengefully stabs a* Nazi lapel-pin into his father's palm. The old Brown Shirt unwisely attempts to swallow the pin, and a jumpy Mongolian soldier, hearing the scream, shoots him dead. The directorial approach to this brief scene tellingly characterized one of the ways in which Schlöndorff and his collaborators (*including Grass himself*) chose to tame the sprawling novel's discursively ambiguous form.

Beginning in 1899, Oskar's saga treats the mainly emblematic, brutish or cowardly deeds of his part-German, part-Polish family in Danzig (the city whose "act of aggression" precipitated Hitler's annexation on the day he invaded Poland), and proceeds through a hiccuping series of frequently grotesque, sometimes oddly arresting *coups de théâtre*. Emerging from the womb, the boy—already the possessor of old man's eyes—at once senses the nastiness of his surroundings and is only restrained from struggling back by his mother's promised gift of a toy drum. The lugubrious beating of which, together with his glass-shattering *scream*, seem to Oskar, for most of the film, the only fit comment he can make on the world he silently scrutinizes.

At the end, having freed himself from one of the burdens of the past, Oskar determines to become an adult: at the age of three, he willed himself to stop growing *in protest against his hypocritical*, petit-bourgeois family. The past, however, as we have seen so often in the film, seems destined for perpetual repitition. Standing by his father's open grave, Oskar is knocked *unconscious by a stone lobbed* by his natural son Kurt; the last we see of the still diminutive man-child, cheated, it appears, of his first and final chance to act, is his impotently screaming face leaning from a departing refugee train. The later post-war section of the novel has been omitted, as has the significant madhouse starting point of Oskar's reminiscences.

What remains is a digest of human follies. Nearly every character—the notable exception is Oskar's earthy grandmother—is revealed to have some usually fatal weakness: Oskar's licentious mother Agnes, played by Schlöndorff's favourite actress Angela Winkler, *is forced to eat eels*, harbingers of both sex and death (they are caught by throwing a horse head into the sea), goes mad and dies of a surfeit of fish; Jan (the Polish actor Daniel Olbrychski), her cousin and suave lover, who thanks to Oskar has the misfortune to be trapped in Danzig's besieged Polish post office, is an inveterate poseur—forced against an execution wall, he turns and *smiles at the Nazi camera* operator, flashing in his palm a vain talisman, the Queen of Hearts.

Schlöndorff and his co-scriptwirters, Edgar Reitz and Jean-Claude Carrière, succeed *in laying out a slab of recent* European history, largely ignored by contemporary film makers, with a certain craftsman-like assurance. Where they come unstuck, it seems to me, is in their too-ready substi*tution of mere grotesqueries* for serious argument. To underline a point about the German love of documentation, the script at one point calls for the recalcitrant Oskar to scream in a doctor's surgery; specimen jars shatter and pickled reptiles, together with a human baby, flop to the floor. The doctor steps over the broken *glass already delightedly* composing an article on Oskar's unusual ability. It is, however, the chamber-of-horrors mess that stick, intrusively, in the mind.

The strongest side of this adaptation of a basically unadaptable novel (which arrives in Britain, incidentally, trailing a *risqué* Continental reputation, but with only one sequence, the love-making between Oskar, played by the then 12-year-old David Bennent, and his father's mistress, cut by the censor) is perhaps its desolate motif of the inevitability of separation. The film opens with the famous scene in the Kashubian potato-field: Oskar's grandmother hides a fugitive from the police beneath her four wide skirts (as a result, Oskar's mother is conceived). The false sanctuary of the skirts—the police eventually catch the man who is last *seen diving into* a lake (though one story has it, Oskar reveals, that he became an American insurance millionaire)—is pointed up throughout the film.

For all its Germanness (and Charles Aznavour in a cameo role is the only faintly international star), *The Tin Drum* is cannily tailored, *at heart*, to the desires of an audience less discriminating than the readers of Grass's novel.

The Evictors, on the other hand, comes clearly stamped with the low-budgeted commercial seal of American International Pictures. And it is none the worse for that. During the Second World War, an engineer (Michael Parks) with a new trouble-shooting job at a Southern cotton-mill moves with his fragile-boned wife (Jessica Harper) into a rambling clapboard house. An atmosphere of menace—the sub*tle darkening of foliage*, a shifted angle to catch the wife's worried eyes—is slowly conjured against an authentic, *if lightly-sketched*, background. While trouble brews at home, the engineer works late at the mill, not on some schematic chore, but in order to keep his vital job and avoid the draft.

The director, Charles B. Pierce, *who may be remembered*, if at all, for marshalling Farrah and Lee Majors in *The Norseman*, has a firm grasp of the conventions of his woman-in-jeopardw plot. He also proves himself capable, however, of several light touches.

John Pym

Book review

Improving existence

A History of Technology and Invention

Edited by Maurice Daumas
(*John Murray, three vols £12.50 each*)

Many might wrongly imagine from the title that this work is a dry as dust study of interest to the specialist reader only. Some might even question the compatibility of the subtitle "Progress through the Ages" with the subject. It comprises three volumes totalling no fewer than some 2,000 pages, with another volume in prospect. Volume I covers the period from "Pre-history to the Medieval Age", Volume II "The first stages of Mechanisation 1450-1725", and Volume III "The expansion of Mechanisation 1725 - 1860" which includes the industrial revolution. Each volume had a dozen or more specialist collaborators, mostly French, to assist in the major task of the Editor, Maurice Daumas, Director of the Museum of National Conservatory of Arts and Crafts, Paris. It is his influence *that gives the work as a whole* its coherence, and such is the quality of the translation by Eileen Hennesey that one forgets its foreign origins.

The general reader can enjoy one volume on its own. In this he is helped by the quality and extent of the illustrations which intersperse the text. The Editor rightly declares that "a history of technology is inconceivable without illustrations". It is a product-based history in which enough information is given to *understand the nature of the* various devices, rather than merely setting them in the context of politics or economics.

The range covered is vast, spanning "all those human activities whose object is to collect, adapt and transform raw materials to improve human existence". So that architecture, the decorative arts, and textiles *as well* as what we would term technical things are included.

The reader can be engrossed *in following* the evolution of his chosen speciality—a particular form of transport, for instance. In this he would be helped by the bibliography at the end of each chapter.

It is, however, as a source work for examining *unifying* themes that its special value lies. Take, for instance, the circumstances of invention. Invention is never the product of a single man but rather that of a period and of a society in certain historical circumstances. *This explains its simultaneity*; a good example in our times being the appearance within a short period of the jet engine in England and Germany with no exchange of information between the parties.

Each generation inherits the experience of all its predecessors: the engineer of today stands on the shoulders of the giants of the past. But it is only in the last two centuries or so that technical knowledge has *been transmitted by other than* word of mouth and example, which is one factor in the acceleration of technical progress in recent times.

The relationship of science and technology is another *intriguing theme to explore*, which is a pertinent debate today; and will no doubt be more fully examined in the final volume. One notes that even in the nineteenth century the steam engine had been in operation for some seventy years before a thermodynamic theory of its functioning was established.

However the most fascinating aspect of technical progress is to examine the springs of creativity itself. The circumstances have to be conducive whether they are commercial or military. But these alone are not sufficient to explain the sheer richness of creation that one sees unfolding in these volumes. It is not the decoration of the device that is significant, although one notes this appearing on machinery in the mid-nineteenth century, but the cause of the striving to improve the thing itself which is interesting to reflect upon. There must be a compulsion within mankind to attempt the evolution of objects, as if life itself were being given to them.

It would be a good thing if this work were to find its way into the libraries of our schools. As a source for essays and studies it would have high educational value. Maybe even the examples of the achievements of the recent past of this country in particular would inspire the rising generation. In this way the lament of Finniston would be heeded.

Alex Moulton

The Maid's Tragedy
The Other Place

Irving Wardle

It is three years since the Royal Shakespeare Company last ventured into the Jacobean wilderness beyond the Shakespearean beaten track, and to find Beaumont and Fletcher *now confined to* a low-budget studio revival suggests that there is no immediate prospect of returning to the main house glories of *The Jew of Malta* and *The Revenger's Tragedy*.

As it turns out, there are aesthetic as well as economic justifications for Barry Kyle's production of *The Maid's Tragedy*. This piece invokes the myth of kingship in the service of a double intrigue whereby the virtuous Amintor (Rob Edwards) is coerced into jilting his fiancée and marrying Evadne, the king's mistress, to supply a respectable cover for the royal bastards. When this arrangement comes to the attention of Evadne's fire-breathing brother, Melantius, it is only a matter of time before the stage is loaded with the usual pile of bleeding bodies.

All I remember of the Mermaid production of some 20 years ago is the scene where the King awakens, roped to the bed by his homicidal mistress, and kinkily inquires: "What pretty new device is this, Evadne?" The rest is lost in a fog of rhetoric. I shall retain a much clearer picture of Mr Kyle's version, which takes full advantage of studio conditions to *bring the* Jacobean monsters down off their stilts.

An almost domestic atmosphere is established with the opening amateur nuptial masque, featuring a clownish Neptune and a hulking Aeolus, *who proclaims his identity with* a funfair windmill. Costume is roughly Austro-Hungarian, with the victorious Melantius in a military boiler suit, and gossamer clad court ladies drifting on with rock-blaring transistors.

If this does not exactly engender a sense of fellow feeling with the Rhodes court circle, it does create a zone where both *the fairy tale and* piercingly realistic elements of the play can override its stretches of prefabricated verse. The play is best known for such high intensity scenes as Amintor's frustrated wedding *night, and the royal* slaughter, in which Sinead Cusack explores both extremes of erotic sadism. Much more unexpected *is the emphasis on* male attachment, which Mr Kyle succeeds with full textual authority in developing from boisterous friendship to the great ruling passion between Amintor and Melantius.

This is thanks mainly to Tom Wilkinson's amazing performance in the second role, which he transforms from a military roarer into a national hero who transmits lion-hearted authority through practical jokes and impish teasing, and who can speak the lines as if they have just come into his head.

We Think the World of You
BBC 1

Michael Church

"Affection without any ambivalence, the *simplicity of life free* from the conflicts of civilization that are so hard to endure, the beauty of an existence complete in itself." No, not in fact another quote from J. R. Ackerley's autobiographical novel *We Think the World of You* just reissued by The Bodley Head), though the words do refer to dogs. The writer was Sigmund Freud, two years before his death, and he was trying to explain to a friend just why it was that "one can love an animal . . . so deeply". Despite the remoteness of the *organic development*, Freud went on, "there is nevertheless a feeling of close relationship, of undeniably belonging together.

Adolescents confide their problems to dogs, old people disillusioned with their own kind seek solace with them; Ackerley's canine relationship *may have gone* furthe rthan most but its basic ingredients were really nothing our of the ordinary. Last night's Omnibus programme's singular achievement was to imply exactly that point while telling Ackerley's *bizarre, dishevelled story*.

As it hapens, the secret (heterosexual) love life of of Ackerley's banana-king father was recently turned by Granada into one of those lush Edwardian costume dramas so beloved of television moguls at present. There was nothing lush about this presentation of *the son's love-life: an* appropriate vein of seet sentimentality ran through it but hithout obscuring a hard and bitter truth.

By day Ackerley pursued his ultra-respectable literary trade; *by night he pursued the rough* trade, footguards at a pound a go ,horseguards at rather more. Result: misery .He entered into a long liaison ith an infuriatingly feckless petty thief, and ended up married to the thief' Alsatian bitch. Result: 15 years of happines. "I as touched by her personal gaze, her vitality" —"She had the key to hat I had lost, the secret of *delight*." When the dog died so, deep down, did he.

Written by Paul aBiley, directed by Tristram Powell, with Benjamin Whitrow as an entirely convincing Ackerley, and with a first-rate cast of supporting actors, this beautiful little film proceeded with an un*usually sure touch. Apart from* one admittedly charming divagation (Ackerley's encounter with a pederastic maharajah) every piece in the jigsaw was given its due weight and prominence; the misshapen life, with *its* desperate discoveries, was made in the end to seem only a little more pathetic than *the lives of commoner humans*, and, more important, to seem a good deal less mean.

Man Alive
BBC 2

Joan Bakewell

There is a big public scandal at the heart of our national life. *It is the threatened*, some would say already begun, decline and fall of the BBC. The breadth of the BBC's present activities cannot be maintained at present standards *for the money* earned from the licence fee. *That fee is* not index-linked, and successive governments play a teasing game, keeping the BBC dangling on a dangerous line of political manipulation. Whenever fee negotiations loom the BBC editorials get tame.

So who is to defend the BBC? One day, say 50 years hence, people will wonder how we could so casually let slip such a powerful channel of independent ideas, creative originality and resourceful re*porting; one that* sets the levels for the rest of the world's broadcasting. It will be too late. The times call for a forceful *and crusading spirit now*.

Man Alive's *What Price the BBC?* made a valiant effort. But being an inside job it suffered from the very virtues the BBC stands for: balance, cautious, reasoned arguments; each and *every point of view* allowed a measured hearing. It could not allow itself to be partisan. For its producer, John Percival, to know all is to know too much. Each corner of the argument—local radio, cuts, bureaucracy, wages *lower than* ITV—was dense with fact and unfollowed issues enough for a series.

The BBC men, led by Alistair Milne and Ian Trethowan, familiar with old arguments, answered small challenges from the able Nick Ross: neither co-production, bigger sales drives nor grant-in-aid answer the central need. None rose to the main possibilities and they even dismissed other options with condescending aplomb.

A state lottery? It "seems somehow inappropriate". Alternating big sports fixtures? Why should "we alternate with people who do it less well". The splitting of radio from television? It is an "absolute truth" it would weaken the BBC. Advertising? Lower standards, not enough yield. To each suggestion an answer that is not a complete answer. For that must include a larger, index-linked licence fee, and everyone knows it. It was left to Julian Critchley, MP, to let rip with just such a brave plea.

The Jacobin
New Theatre, Cardiff

William Mann

Welsh National Opera's new production of Dvorak's *The Jacobin* is a joint venture with the Royal Northern College of Music. Adrian Slack's staging, with settings by John Cervenka, had its first run two months ago in Manchester with a student cast. The same inscenation passed this week to WNO's fully professional forces—the cast entirely assembled from company strength, and very *strong indeed—who will* perform it in Birmingham and Llandudno, as well as Cardiff, between now and early July.

The Jacobin is a festive comedy of rustic Bohemian life, openhearted villagers, including the local music teacher (named Benda, after a long line of noted Czech musicians, and Dvorak's particular creative spur in this task) and their more or less infamous governors. Dramatic tension is brought about when the local count's son and heir embraces the French Enlightenment, and is banished as a subversive threat to law and order, then returns home and, after much *hostile treatment*, is *welcomed* as the reinstated successor to his father, and clearly the enlightened ruler for whom Rousseau, Beethoven and others yearned.

Adrian Slack's production makes the most of danger and injustice, but not too much. The scales are firmly tipped in favour of the young village lovers, prettily impersonated by Helen Field and Arthur Davies (musicianly singers with plenty of vocal power available) and their friends of the chorus who have much to sing, just right for the stalwarts of the WNO.

Beside them are set the not wholly comic character parts of Benda, lovingly diversified and detailed by Edward Byles as an absent-minded professor of the old school—his rehearsal of the choral Welcome Ode, the best known scene in the opera, is a delight—and Filip, a pompous and power-drunk veteran Adonis, as unsuccessful as Wagner's Mime, his close kinsman, accurately caricatured by Julian Moyle. The serious romantic parts are played down in David Gwynne's Count, much *too well preserved surely, and* Henry Newman's calumny-pursued hero, though Suzanne Murphy captures the mysterious allure and persuasive eloquence of the returning wife.

Cervenka's outlined backgrounds of tubular metal, *doubtless* practical for a producer of crowd scenes, need more subtle lighting for full effect. Otherwise the production works well, and Dvorak's lovely score, the second act especially rich in construction and *emotional* power, has a splendid advocate in the conductor Albert Rosen.

Songmakers' Almanac
Wigmore Hall

Hilary Finch

If Fiordiligi and Dorabella had been lieder *singers . . . (for* thus Graham Johnson has called his latest evening's entertainment) they *would surely have* joined the Songmakers' Almanac. Reincarnated in the eternal feminine presences of Felicity Lott and Ann Murray, they provided the inspiration for an ingenious programme of sisterly songs from Purcell to Kurt Weill, unfolded in a *Cosi*-like plot.

Just as there is no need to clutter *Cosi* with coy, fussing, sisterly business—the nuances *of the relationship* are woven into the sisters' very music—so the Songmakers resisted any temptation to overplay their parts, to the extent that in, for instance, the opening "Ah guarda sorella" not a glance *was exchanged, which did seem* rather perverse. If Felicity Lott was not always on top of her top notes, the sound of the two ladies' voices rarely cloyed or palled: perfect duettists, their voices blend richly in timbre while retaining a *distinctive* individuality. And the range of emotional expression was immense, from the two cheeky First World War music-hall songs (knit together in an outrageous final reprise) to Ann Murray's darkly intense "Wir haben beide lange Zeit geschwiegen" from Wolf's Italian Songbook.

Tempering the sugar and spice of it all was the cynical Don Alfonso figure of Richard Jackson, *helping out with the* recitations and singing a memorable "Trau' nicht der Liebe" (Wolf again), its every world beautifully placed and coloured.

Of course, this sort of thing comes as naturally to the Almanac as leaves come to a tree—and sometimes it can be just a bit too slick, too self-conscious. But, whatever the manner, Graham Johnson's piano playing alone always ensures that not a second's worth of matter is wasted: his exquisitely accompanied "Soave sia il *vento" paid final and fitting* tribute to *Cosi*.

Some of the reviews on this page are reprinted from yesterday's later editions

SPORT

Barnes puts up wind resistance to lead

By Peter Ryde

It is harder to score over Wentworth West when it is hard and windy than when it is soft and still. That has always been accepted, in spite of its 7,000 yards, but the opening day of the Martini International tournament yesterday produced one of the most score-shy days of recent years.

Par here has been reduced by two in the past year, by shortening the first and 12th, but on a beautiful spring day only Brian Barnes broke par and he had to finish with three straight birdies to do so. Barnes welcomes a wind and it was in conditions not dissimilar to these that he won the French Open five years ago, although the ground was softer then.

Neither he nor Faldo, who shares 72 with Simon Hobday, complained of bad bounces, but in both cases they were mostly hitting the centre of the fairways and firing accurate irons to the green. Barnes remained calm in admittedly awkward conditions—you can never quite be sure with him—and his explanation was that such conditions are much easier to accept when you can so plainly see them coming.

The horror side of yesterday's story is concerned not so much with individual disasters on the Weiskopf scale as general decline and debilitation. It even affected those who might be expected to know better. Jacklin's 82, based on 42 putts, must be one of the highest of his career. Hunt, to take a random example, finished 7, 8, 7, 5 and Powell reached the 11th before making his first par, finished with the first eagle of the day, at the 18th for an 86, edging out his fellow competitor who took 87.

Two illustrations served to show the kind of day it was. Hill, who is well versed in controlling the ball, got round in 73 which put him just behind the leaders, in spite of dropping shots at the first two holes. Ballesteros's second shot to the seventh would have been perfect in October. He took much longer than he needed to assess it, for play ahead was slow.

He judged the distance to perfection but the ball, instead of braking to a halt by the hole, bounced seven feet in the air and finished in the heather behind the green. His recovery was beautifully played, but was a foot too short and now he was struggling to keep a six off his card. He did so and refused to allow it to disturb him. Such is the calming influence of appearance money on behaviour.

After the turn he dropped two more strokes, but the 12th started a run of birdies for him. In one sense, that is to those who still believe that Ballesteros cannot hit the ball straight, Wentworth is not his course, but in another sense it certainly is for the par fives are genuine. He can use his length there and also at the four other holes of more than 450 yards.

He birdied the difficult driving hole of the 13th which only Elson and Townsend achieved out of 145 who played it, and with two par fives to finish the prospect loomed of a second player breaking par. But imagination travelled ahead of reality and he finished quietly in 5, 6.

In such circumstances Lyle's 75 began to look quite respectable. All his trouble over the first seven holes had been on the greens. He three-putted four of them before settling down. He came back in 36, finishing with two birdies and putting himself in a good mood for today.

Gallacher was also heading for 36 and second place if he could finish in the same way. As it was he took 6, 8, hooking his second out of bounds when almost within sight of his own shop. It is most strange to report that only one player, Faldo, could score better than 36 coming in, even though the wind required some long shots into the greens.

Sandstorm on Burma Road: Ballesteros gets out of trouble at Wentworth.

Leading scores

69: B. Barnes
72: N. Faldo, S. Hobday (Zimbabwe)
73: G. Brand, G. Will, J. Bland (SA), P. Barry, M. Thomas, D. Dunk, W. Longmuir, M. Calero (Spain)
74: G. Levenson (SA), N. Coles, S. Ballesteros (Spain), M. King, M. Gregson, D. McClelland, N. Wood, D. Watson (SA), N. Price (SA), V. Fernandez (Argentina), B. Dassu (Italy)
75: P. Townsend, D. Ingram, B. Murray, H. Baiocchi (SA), M. Poxon, E. Darcy, S. Lyle, J. O'Leary, E. Polland, G. Norman (Australia)
76: B. Charles, K. Brown, P. Elson, I. Mosey, J. Anglada (Spain), D. Jones, G. Coles, R. Cameron, J. Morgan.

Bonallack's hopes lifted by a friendly breeze

By John Hennessy

The qualifying competition for the Brabazon Trophy golf competition yielded one distinguished survivor, Michael Bonallack, on the Hunstanton Links yesterday He had a round of 75, three over par but five under yesterday's qualifying score. The cut for players on the first day had been 81.

Bonallack, the chairman of the England selectors, reached the turn in four over par and another stroke slipped away on the 11th because of a wayward drive. Statistically therefore he stood in danger of failing to qualify for the 72 holes competition proper, starting today. But now the stiff wind became his ally as he headed for home and he covered the remaining seven holes in par, with one exception. That was at the 476 yards 15th, where he persuaded the ball in (such is his putting style) from 10 yards. He was subjected to the Henry Cotton tyre treatment at Penina during the winter and, though he is modest about his possible achievements this year at the ripe old age of 45, his wife has warned us not to treat him lightly.

There was, on the other hand, one distinguished casualty, Peter Hedges. A former holder and a former Walker Cup player, Hedges scored 82 yesterday. Michael McLean, captain of the England boys team to play Scotland at Formby in August, survived with a 78.

The leading qualifiers from the first round, all on 75, were T. Shannon, J. Heib, R. J. Barrell, and M. E. Lewis. Those who scored 74 yesterday were I. J. A. Stephenson, P. Snowden, C. Maudesley. Bonallack shared 75 with four others. Altogether there were 275 entries, easily a record, for this competition, which stands as the English open amateur strokeplay championships.

Curtis Cup stars through comfortably

From a Special Correspondent
Lahinch, May 15

Mary McKenna, the defending champion, and two new Curtis Cup colleagues, Maureen Madill and Clare Nesbitt, produced golf that almost matched the brilliant sunshine here today at the start of the Irish women's golf championship.

They all came through their first round matches comfortably with Miss McKenna and Miss Nesbitt both finishing on the thirteenth green where Clare Hourihane, a Curtis Cup reserve, also disposed of Valerie Butler. Mary Gorry was beaten by an international colleague, Lilian Starratt.

Miss McKenna was five under par for the 13 holes played in her 6 and 5 win over Patricia Connolly. "That was about the best golf I have ever played", she said afterwards.

Miss Nesbitt was one under par for the 13 holes she had to play in beating Mrs Bridie Brown and Miss Clare Hourihane was two under at the thirteenth. Miss Madill did not have it all her own way in beating Maire O'Donnell, last year's non-playing Irish captain.

The youngest player, the 15-year-old Munster champion, Bridget Gleeson, meets the former international Dr Gerry Costello, from Formby, in the second round. Dr Costello beat Rita Walsh, from Kilkenny, at the 20th.

FIRST ROUND: Miss M. McKenna beat Miss P. Connolly, 6 and 5; Mrs R. Brennan beat Mrs M. Lynch, 3 and 2; Mrs L. Starratt beat Miss M. Gorry, 1 hole; Miss S. Gorman beat Miss L. Wilson, 2 and 1; Mrs V. Hassett beat Mrs B. Cocy, 4 and 3; Miss E. Bradshaw beat Miss S. O'Brien-Kenney, 3 and 2; Miss P. Madill beat Miss M. Cassidy, 1 hole; Miss C. Nesbitt beat Mrs B. Brown, 6 and 5; Miss C. Hourihane beat Miss V. Butler, 6 and 5; Mrs P. Eakin beat Mrs C. Keating, 4 and 3; Miss B. Gleeson beat Miss R. Walsh, at 20th; Dr G. Costello beat Mrs T. Fitzpatrick, 4 and 3; Miss C. Daly beat Miss A. Heskin, 2 holes; Miss P. Wickham beat Miss E. Higgins, 3 and 1; Mrs C. Hickey beat Mrs E. Butler, at 20th; Miss M. Madill beat Mrs M. O'Donnell, 3 and 2.

Tennis

Underdogs yield to Vilas and Solomon

Hamburg, May 15.—The top seeds Guillermo Vilas and Harold Solomon outmanoeuvered their opponents today in the third roun of the $200,000 Hamburg Grand Prix tournament.

The Argentine, rated fourth in the world, made quick work of France's Dominique Hedel to win 6—1, 6—3. America's Solomon started well against Rolf Gehring, of West Germany, but Gehring improved producing fierce services and rushing to the net with an aggression which won him the second set. Solomon, however, outlasted the tired Gehring, to win 6—1, 3—6, 6—3.

In a 6—4, 7—5 duel, Spain's Manuel Orantes easily defeated the Czechoslovak entrant, Pavel Slozel, who fell prey to many smal errors. The seventh-seeded Elliot Teltscher of the United States also advanced to the quarter-final round by defeating Tomas Smid of Czechoslovakia

OTHER RESULTS: A. Gomez (Ecuador) beat M. Hocevar (Brazil), 6—2, 7—6; I. Lendl (Czechoslovakia) beat B. Hitton (SA), 6—2, 6—3; B. Taroczy (Hungary) beat B. Manson (US), 6—4, 6—1; R. Yuell (SA) beat C. Lewis (NZ), 6—2, 7—6.

LEE-ON-SOLENT: Hard court tournament: Men's singles (quarter-finals): J. Feaver beat J. Whiteford, 6—2, 6—0; D. Joubert (SA) beat R. Drysdale, 7—6, 7—6; C. Fancutt (Australia) beat J. Smith, 7—6, 6—2. Women's singles (quarter-finals): N. Gregory (Australia) beat C. Mexell (Sweden), 6—0, 6—1; J. Durie beat C. Harrison, 6—1, 6—3; A. Hobbs beat K. Gulley (Australia), 6—3, 6—0; R. Fairbank (SA) beat J. Mundel (SA) walkover.

TOKYO: Gunze world tournament: Men's singles (first round): J. McEnroe (US) beat T. Fukui (Japan), 6—1, 6—3. Women's singles (first round): W. Turnbull (Australia) beat K. May Teacher, 6—0, 6—2. Men's doubles (final): J. McEnroe and W. Fibak (Poland) beat V. Amaya (US) and B. Teacher (US), 3—6, 6—3, 7—5.

FLORENCE: Grand Prix tournament: Men's singles (first round): R. Ramirez (Mexico) beat M. Grant (US), 6—4, 4—6, 6—4; A. Panatta (Italy) beat W. Maher (Australia), 6—3, 6—2.

Football

Gray finds himself at the centre of a row

The Ipswich manager Bobby Robson has infuriated the Scotland manager, Jock Stein, by appealing to the Football League, to insist that Wolverhampton Wanderers recall their £1.5 million striker Andy Gray for tonight's league match against Arsenal.

The club v country row blew up only hours after Gray had been selected for the Home International against Northern Ireland in Belfast, and results from Arsenal's failure in two cup finals in five days.

Defeats by West Ham United in the FA Cup, and Valencia in the European Cup Winners' Cup, mean that Terry Neill's exhausted team must take four points from their last two League games to qualify for a Uefa Cup place in Europe next season at the expense of Ipswich.

The Woves manager, John Barnwell, who recalled Emlyn Hughes from the England squad, was not going to call Gray back until Robson put pressure on the League. "I had to appeal to the League for a ruling", said Robson. "We have not been playing all this season for tram tickets. A European place next season is at stake and while I have every sympathy with Arsenal, I must place the interests of Ipswich above all else."

The League agreed with Robson, saying: "The regulations are clear and state that each club shall play its full-strength team in all league matches. We have brought this to the attentio nof Wolves and hey have recalled Andy Gray, because this is a vitally important league match".

Stein, who decides today whether to bring in Archibald, Tottenham's new £1 million striker, or Jordan of Manchester United, was angry and disappointed. "It was very late in the day and I think it was unfair. Ipswich are wrong, because the boy will not be in a good frame of mind and therefore you cannot say that it will be Wolves' strongest team.

The Aberdeen midfield player Strachan, Scotland's player-o-the-year, is however certain to make his first appearance. He is one of three new caps in the Scottish side, the other newcomers being the St Mirren pair Thomson, who plays in goal and Weir, a winger. Gemmill of Birmingham, is captain.

Thomson's inclusion means of course that Rough who holds the Scottish goalkeepers record of 31 caps, stands down in a match that resumes his Country's bi-annual Belfast fixture following a 10-year gap. Thomson, once Rough's understudy at Partick, would have won his first cap in the European Championship match against Portugal last month but for a date clash with St Mirren's Anglo-Scottish cup final against Bristol City.

Strachan and Weir replace the injured Liverpool defender Hansen and the Nottingham Forest winger Robertson who is unavailable.

The Northern Ireland manager Billy Bingham has called up the Linfield goalkeeper Dunlop and the Mansfield defender McClelland to strengthen his side following the withdrawal of the Arsenal trio Jennings, rice and Nelson, will play instead for their club at Molineux. "The withdrawal of the three has disturbed what I was planning to some exvent," said Bingham, "but it gives me the opportunity to blood some of the youngsters."

In Dublin, meanwhile, the Republic of Ireland take on the world champions Argentina at Lansdown Road, without Murphy, the Crystal Palace player who was confined to his bed after going down with gastro enteritis last night.

The Republic manager Eoin Hand said, "There's no way he could have played. He's very sick in bed and will be there for a couple of days at least. Heighway of Liverpool comes back into the side

EIRE: G. Peyton (Fulham), S. Langan (Derby County), K. Morann (Manchester United), P. O'Leary (Shamrock Rovers), Hughton (Tottenham Hotspur), G. Daly (Derby County), A. Grealish (Luton Town), captain, G. Waddock (Queen's Park Rangers), P. McGee (Preston North End), D. Givens (Birmingham City), S. Heighway (Liverpool).

Arsenal may change their style

By Clive White

With defeat in the European Cup Winners Cup on Wednesday evening also went the last opportunity of this current Arsenal side to win one of the game's big prizes. Not that there are likely to be widespread changes to the team but the shape and possibly style will soon change.

The reason is that Brady, who conducts the scene of their play, is insistent on leaving the club for the continent. Although Rix, his able understudy, is another with a left side bias there is now an opportunity for Terry Neill, the manager, to give the side a better balance and just possibly an extra forward instead of a new fourth man in midfield.

Don Howe the coach, is too much a disciplinarian to allow Arsenal to attack with gay abandon. But on such reliable shoulders as O'Leary and Young Arsenal could now afford to be more enterprising. Two finals in four days without a goal has gnawed at the loyalty of Arsenal supporters.

Meanwhile Mr Neill keeps insisting that there have not been one firm offer for Brady from abroad but encourages a direct approach by whoever is interested rather than the use of agents which he naturally dislikes. Bayern Munich are still the favourites and they were at Heysel Stadium on Wednesday evening to see their man perform with the vision, pace, control and shot which makes him such a valuable commodity. Yet they also saw him lose the trophy for Arsenal.

Yesterday Brady accepted blame for the defeat which Arsenal incurred by 5—4 on penalties against Valencia after extra time—a thoroughly unsatisfactory way to decide so important an issue. Not that he was the unfortunate player to make the decisive blunder—that role fell on the unwilling Rix—but his was the first penalty miss at the worst possible moment after Jennings had foiled Kempes.

Today Arsenal must raise themselves for another European adventure next season. They must win at Molineux against Wolverhampton Wanderers and then again on Monday, more awkwardly, at Ayresome Park against do to pip Ipswich Town for the last place in the Uefa Cup. To overcome the depression of defeat in the FA Cup final last week was one thing but to start climbing that same European ladder again is another.

Docherty gets his job back

Tommy Dochrty, dismissed nine days ago as team manager of Queen's Park Rangers, was reinstated last night. The Rangers chairman, Jim Gregory, said: "We have settled our differences and he is moving to the South to live. The supporters have backed Tommy and all I want is for it to work," he added: "Now he has decided to live in the London area, I am prepared to back him to the hilt. He has been a good manager for Rangers and all we both want is for the club to be successful."

Mr Docherty said: "The chairman and I have done what is best for Queen's Park Rangers. He has been a magnificent chairman to me and we have nevtr really had a cross word. I moved to a new home in the South six weeks ago, and I trust that all this fuss will be forgotten and that we can get together and make Rangers successful in the second division next season."

Since Mr Docherty's dismissal last week Mr Gregory has had several applicants for tht job and has spoken to the managers of several other Football League clubs, but, impressed by letters from supporters and a deputation of players backing Mr Docherty led by the captain Roeder, Mr Gregory changed his mind.

The reinstatement is the latest twist in Mr Docherty's turbulent career; he and Mr Gregory now hope it will steer a somewhat calmer course. Rangers narrowly missed promotion from the second division last season.

Olympic line-up

Moscow, May 15.—Despite the uncertainty over many countries' participation in the Olympic Games the draw went ahead today for the football competition. Only the United States were left out of the draw, although the American and Carribean region can still send an entry, leaving the door open for the United States to take part.

DRAW: Group A (Moscow): USSR, Argentina, Zambia. Group B (Leningrad): Czechoslovakia, Colombia, Ghana, Kuwait. Group C (Kiev): Japan, East Germany, Spain, Algeria. Group D (Minsk): Yugoslavia, Norway, Costa Rica, Iraq.—Agence France-Presse.

Today's football

HOME INTERNATIONAL CHAMPIONSHIP: Northern Ireland v Scotland (in Belfast, 7.0).
FIRST DIVISION: Wolverhampton Wanderers v Arsenal (7.30).

Kick-off for youngsters

Leipzig, May 15.—The annual European junior football tournament begins tomorrow with the rising talent of 16 nations meeting simultaneously for the first round of the 10-day competition.

The national youth teams who came through qualifying rounds involving 33 countries will take part in a total of 28 games in various towns around Leipzig. Tomorrow England play Northern Ireland, West Germany meet Poland, the Netherlands play France and the hosts, East Germany, face Bulgaria.

Two further rounds will be played on May 18 and 20 before the four group leaders meet in the semi-final next Friday. The final and play-off for third place end the competition on May 25.

GROUP A: Spain, Italy, Norway, Hungary.
GROUP B: Bulgaria, East Germany, Netherlands, France.
GROUP C: Romania, Finland, Poland, West Germany.
GROUP D: Northern Ireland, England, Yugoslavia, Portugal.—Reuter.

Motor racing

Pironi works his way to the front of the field

From John Blunsden
Monaco, May 15

It paid to be quick off the mark when practice began today for Sunday's Monaco Grand Prix over 76 laps. After one and a half hours of untimed training on a dry track, but under a threatening sky, drizzle began to fall just five minutes before the hour-long qualification period began.

Everyone rushed out on slick tyres, hoping to make the maximum use of what grip remained available during those crucial first laps, and Didier Pironi worked his way to the front with his Ligier-Ford and with a clear track ahead of him set a lap time of 1 min 45.053 sec. It was some 18 seconds slower than he had managed in the morning period, but it was fast enough to put him at the front of the 20-car grid with just one more hour of timed qualification runs to come on Saturday.

This year a loophole in the official regulations meant that all 27 entries could take part in today's practice without any of them having first to pre-qualify earlier in the day (normally, only 24 cars are allowed on the track here at any one time).

Jody Scheckter led a drivers' protest against today's ruling, on the grounds of too much traffic for overtaking, but he was overruled and he ended the day in a happier frame of mind than when he began it, having claimed the fifth quickest time. With his team colleague Gilles Villeneuve second quickest overall, ahead of the two Saudia Leyland team cars of Jones and Reutemann, it was Ferrari's best pre-race performance of the year to date.

Minor accidents robbed both Elio de Angelis and Riccardo Patrese of the chance to qualify their Lotus and Arrows cars, respectively, while Jabouille's Renault was just pipped by Mass's Arrows for twentieth and last place at this stage of the proceedings. The others who still have everything to do on Saturday after Lees and Kennedy of the Theodore Shadow team, Zunino (Brabham) and Cheever (Osella) who suffered fuel pump failure after only one lap.

An excellent effort by Tiff Needell has given him a provisional nineteenth place in the line up with his Unipart Ensign. There could scarcely have been less favourable conditions in which to drive a grand prix car at Monaco for the first time.

Further detail circuit modifications have been made this year to the Monte Carlo track, notably a widening of the approach to the first corner after the start, which should facilitate overtaking there, and a narrowing of the pavement on the right side of the track on the drop towards the Mirabeau corner, where last year Pironi attempted a leapfrog over Lauda's car and crashed into a barrier

FASTEST TIMES: 1, Pironi (Ligier-Ford), 1 min 45.053 sec; 2, Villeneuve (Ferrari), 1:46.224; 3, Jones (Williams-Ford), 1:47.126; 4, Reutemann (Williams-Ford), 1:47.456; 5, Scheckter (Ferrari), 1:47.456; 6, Piquet (Brabham-Ford), 1:47.641; 7, Daly (Tyrrell-Ford), 1:47.788; 8, Laffite (Ligier-Ford), 1:47.919; 9, Watson (McLaren-Ford), 1:48.114; 10, De Pailler (Alfa-Romeo), 1:48.410; 11, Andretti (Lotus-Ford), 1:48.419; 12, Jarier (Tyrrell-Ford), 1:48.585; 13, Arnoux (Renault), 1:48.597; 14, Giacomelli (Alfa-Romeo), 1:48.625; 15, Fittipaldi (Fittipaldi-Ford), 1:48.884; 16, Lammers (ATS-Ford), 1:49.215; 17, Rosberg (Fittipaldi-Ford), 1:49.589; 18, Prost (McLaren-Ford), 1:49.775; 18, Needell (Ensign-Ford), 1:49.805; 20, Mass (Arrows-Ford), 1:50.200.

Boxing

Another defence then Minter, Finnegan hopes

Munich, May 15.—Britain's Kevin Finnegan today continued his reign as European middleweight champion after a chastening draw against the West German challenger, Georg Steinherr, here last night.

Finnegan, 32 tomorrow, recovered after an uncertain start in which the unfancied German dictated the bout and cut the champion's lip. The Briton began his fight back in the fith round of the 12-round contest in the Olympic Stadium and was clearly relieved as well as delighted when the Italian referee Marcello Bettini announced the draw which was just enough for him to cling on to the title.

"I can't say I was fighting at my best", Finnegan said afterwards. "The guy's hard to fight and he's not a bad hitter. I thought I had won the fight but I was a bit dubious about getting the decision." His uncertainty was mirrored by the judges. The referee scored it for Finnegan, one judge gave it to Steinherr and the other made it a draw.

Finnegan, who regained the European title last February by outpointing Gratien Tonna of France, is hoping for a shot at the World Boxing Council (WBC) title held by Alan Minter. But first he expects he will have to defend his European crown against an Italian challenger in Italy in about three months time.—Reuter.

Ali-Holmes bout: Muhammad Ali will end 19 months of retirement and meet the unbeaten World Boxing Council (WBC) champion, Larry Holmes, in August, in a large stadium in United States, a spokesman for the promoter Murad Muhammad said tonight.

Cricket

More ammunition for the critics of Gower

By Alan Gibson

LEICESTER: The West Indians beat Leicestershire by an innings and 21 runs.

The West Indians are beginning to sail through the counties just as the Australians used to do in the days before the war, when county matches against tourists were taken seriously by both sides. Overnight, they were 219 for two, 120 runs ahead of Leicestershire. They were all out for 334, by twenty past two, which must have been less than they expected.

It was not that there was anything wrong with the pitch, though it grew a bit dusty, nor anything demonic about bowling, just that they were enjoying themselves, on a warm day, and enjoying taking risks. They lost six wickets for 24 runs, and when Greenidge (who had scored 110 of his runs in boundaries) was fifth out at 278, caught in the gully, they did not look like making any more, though they had the bonus of a lusty last wicket stand of 40.

When Leicestershire went in, they lst two wickets quickly. Steele was bowled by Roberts after he had scored all the first nine runs, and a marvellous, low fast throw, from Roberts at deep square-leg, ran out Dudleston. The West Indians looked so confident and full of vim, that I thought they must be planning a visit to the evening races at Uttoxeter, and I was beginning to thing of an early departure home.

But here Balderstone and Gower came together. Balderstone has always been a fighter, who does not believe in surrendering and Gower has been, so the theory goes, sent home to Leicester to tighten his game. It was an important innings for Gower. He had to prove himself, especially against the fast bowlers. Did he, or did he not? He took time to play himself in, then gradually began to make his strokes. Some of his drives raised cheers from the West Indian portion of the crowd, as well as the Leicestershire men. There was quite a large crowd, and I think that Holts Products must be encouraged in their efforts to revive interest in matches between the tourists and the counties.

Balderstone absurdly pulled a long hop on to his stumps—Kallicharran's first ball—at 111. It is not often that you sec a batsman so disgusted with him and it made quite a cheerful [...] because he was not seekin[g to] blame the umpire, or the [...] or the bowler, or the crow[d] the flashing sun from the [...] screens, or anything at all Balderstone.

Now attention was concen[trated] on Gower. He continued to [...] handsomely for a while, bu[t was] caught in the slips, soon [after] reaching his 50, just the [...] when—as all the pundits ha[ve] often said—he ought not t[o be] out. It was a good ball [from] Holding, which might have [got a] good batsman out at any tim[e, but] there was a sufficiently [...] and unnecessary element i[n the] stroke to give Gower's cri[tics a] little more ammunition.

Holding took two more w[ickets] in his next five balls, To[lchard] leg before and Boon b[owled]. Davison batted bravely, an[d the] West Indians had to take the [extra] half hour to finish the ma[tch in] two days, and would pro[bably] have been too late for the [races] at Uttoxeter. The light of [...] had left the game, so f[ar as] Leicestershire was conc[erned,] when Gower was out.

LEICESTERSHIRE: First Innin[gs] (J. Garner 5 for 22, D. Parry [...]) 1[..].

Second Innings
B. Dudleston, run out ..
J. F. Steele, b Roberts ..
J. C. Balderstone, b Kallicharra[n]
D. I. Gower, c Kallicharran [...]
*B. F. Davison, c Rowe, b Hol[ding]
†R. W. Tolchard, l-b-w b Holdi[ng]
T. J. Boon, b Holding ..
P. B. Clift, b Holding ..
N. G. B. Cook, not out ..
J. P. Agnew, c Murray, b Gar[ner]
L. B. Taylor, l-b-w b Parry
Extras (b 1, lb 1, w 1, nb [...])

Total [...]
FALL OF WICKETS: 1—9, [...]—111, 4—136, 5—140, 6[...] 7—154, 8—186, 9—203, 10—[...]
BOWLING: Roberts, 13—[...] Holding, 14—4—57—5; Garne[r] 3—16—1; Parry, 20.4—[...] Kallicharran, 1—0—1—1.

WEST INDIANS: First Inni[ngs]
C. G. Greenidge, c Steele, b C[...]
S. F. A. Bacchus, b Steele ..
*I. V. A. Richards, b Steele ..
L. G. Rowe, b Steele ..
A. I. Kallicharran, c Tolchard, b Cook ..
C. L. King, b Cook ..
†D. A. Murray, l-b-w, b Clift
D. Parry, not out ..
A. M. E. Roberts, l-b-w, b Co[ok]
J. Garner, c Tolchard, b Agn[ew]
M. A. Holding, b Taylor ..
Extras (b 1, lb 12, nb 8)

Total [...]
FALL OF WICKETS: 1—18[...] 195, 3—238, 4—278, 5—278, 6[...] 7—282, 8—286, 9—294, 10—[...]
BOWLING: Agnew, 16—1—[...] Taylor, 16—2—62—1; Clift, 1[...] 5[.]—2; Cook, 14—1—54—3; [...] 18—7—35—3; Boon, 3—1—[...] Balderstone, 7—2—16—0.
Umpires: H. D. Bird and D[...] stant.

Clarke finishes off Kent in the grand manner

By Peter Marson

THE OVAL: Surrey (2 pts) beat Kent by three wickets.

Surrey seemed to have paved the way to an easy victory, having dismissed Kent for 199 runs on a good pitch yesterday. Yet Surrey's batsmen, who needed to score at a little over three runs an over, were in a relaxed mood and when they began to lose wickets the outcome became less predictable.

Clinton, who seems always to do well against his former county, shored up the innings with 62, but the last act belonged to Sylvester Clarke. Earlier, he had bowled splendidly to take five for 23 and now he came with his bat to finish off Kent in the grand manner, the last of his three sixes settling the matter with nine balls to spare. His display properly brought him the Benson and Hedges gold award.

It was warm, and sunny again, and following the day of apparent inaction, here was another dose for a fair crowd sprinkled around the Oval's boundaries. Rather than chase a total, Kent chose to bat first. Almost at once they lost Woolmer, leg-before to the fifth ball of the innings. Runs have been eluding Woolmer since his hundred against Nottinghamshire in the first week in May.

Tavaré and Rowe then settled to take the score to 59 when Rowe was then out, beaten and bowled by Pocock. Pocock and Cheatle bowled well, their 22 overs yielding 66 runs. Tavaré and Asif were subdued against the spin bowlers but they showed enthusiasm when Thomas and Knight came together.

Knight quickly withdrew. At 152 for two, Clarke was brought back to bowl the fortieth over. The Barbadian's greater pace was less easily dealt with, and it was as if Asif pivoted to hook a short pitched ball that Surrey broke the back of a promising stand, and though it was not apparent then, that of Kent's innings, too. With Howarth making a splendid catch on the boundary behind square leg, Kent were now 157 for three. Tavaré and Asif had put on 98 in 22 overs.

Clarke had lit the fuse, b[ut the] explosion that came after [...] shook everyone, seven [wickets] falling for 31 runs in nine [overs]. Making 95, his highest sc[ore in] this competition, Tavaré wa[s last] to go, caught behind off S[mith].

Smith took another three [wickets] to give him an impressive a[nalysis] of four for 29 in nine over[s and] Clarke, with three more, r[olled] up the remainder.

KENT
R. A. Woolmer, l-b-w, b Clar[ke]
C. J. C. Rowe, b Pocock
C. J. Tavaré, c Richards, b Sm[ith]
Asif Iqbal, c Howarth b Clar[ke]
*A. G. E. Ealham, c Clarke, b Smith ..
†A. P. E. Knott, c Richards, b Clarke ..
C. S. Cowdrey, c Clarke, b Sm[ith]
J. N. Shepherd, c and b Sm[ith]
G. R. Dilley, l-b-w, b Clarke
D. L. Underwood, hit wkt, b Clarke ..
K. B. S. Jarvis, not out ..
Extras (b 1, lb 9, w 7)
Total (51.1 overs)
FALL OF WICKETS: 1—0, [...] 3—157, 4—171, 5—173, 6[...] 7—191, 8—194, 9—198, 10—[...]
BOWLING: Clarke, 10.1—1—[...] Thomas, 7—1—43—0; Smith, [...] 29—4; Pocock, 11—2—30—1; C[...] 11—0—36—0; Knight, 3—0—[...]

SURREY
A. R. Butcher, c Shepherd, b Underwood ..
G. S. Clinton, b Dilley ..
G. P. Howarth, c Asif, b Underwood ..
*R. D. V. Knight, c Tavaré, b Jarvis ..
G. R. J. Roope, l-b-w, b Jarvis
D. M. Smith, l-b-w, b Woolmer
D. J. Thomas, b Woolmer
S. T. Clarke, not out ..
†C. J. Richards, not out ..
Extras (b 4, lb 12, w 4, nb [...])
Total (7 wkts, 53.3 overs)
P. I. Pocock and R. G. L. [Cheatle] did not bat.
FALL OF WICKETS: 1—69, [...] 3—121, 4—129, 5—143, 6[...] 7—171.
BOWLING: Dilley, 11—3—[...] Shepherd, 7.3—0—28—0; Jarvi[s] 1—37—2; Underwood, 11—0—[...] Woolmer, 6—1—18—2; Asif, [...] 23—0.
Umpires: R. Julian and D. S[...]ton.

Today's cricket

(11.0 to 5.30 or 6.0).
LEICESTER: Leicestershire v [West] Indians.
SECOND XI COMPETITION
ILKESTON: Derbyshire II v Yo[rkshire] II.
CHELMSFORD: Essex II v Sur[rey II].
ABERGAVENNY: Glamorgan II [v Glou]cestershire II.
ENFIELD: Middlesex II v Kent [II].
HORTON: Northamptonshire II [v Lei]cestershire II.
NEWARK: Nottinghamshire II [v War]wickshire II.

For the record

Basketball

NATIONAL ASSOCIATION: championship round: Los Angeles Lakers 108, Philadelphia Flyers 103 (Lakers lead series 3—2).

GENEVA: Pre-Olympic tournament: Italy beat Sweden, 82—79; Spain beat France, 105—100; Israel beat W Germany, 96—74; Poland beat Czechoslovakia, 83—74.

VARNA, BULGARIA: women's pre-Olympic tournament: Cuba beat Hungary 87—81; Canada beat South Korea 77—69; Czechoslovakia beat China 75—52; France beat Poland 85—79; Yugoslavia beat Italy 65—79.

Cycling

GENOA: Tour of Italy (preliminary race 7.3km): 1, F. Moser (Italy), 9min 13sec; 2, K. Knudsen (Norway), 9-17; 3, B. Hinault (France), 9-19. 45, P. Edwards (GB) 10.04.

Football

NORTH AMERICAN S[OCCER] LEAGUE: Minnesota Kicks 3, P[ortland] Timbers 1; Vancouver Whitec[aps ...] Philadelphia Fury 0.

TOUR MATCH: Chinese natio[nal XI] 0, Norwich City 2 (Peking).

Together again

Sir Alf Ramsey and [Bobby] Moore are joining forces 14 years after England's [World] Cup Final win over West [Ger]many. The former England [man]ager has agreed to beco[me] regional director of his f[ormer] captain's schools football [pro]gramme for children aged [...] 15.

Rugby Union

Vital test for uneasy Lions and injured Campbell

From Peter West
Rugby Correspondent
Durban, May 15

After two uneasy, unimpressive victories by the Lions the time for excuses, several of them valid enough, is over. With the first international due in Capetown a fortnight on Saturday, it is important for the side's confidence that they start putting their act together against Natal as a preliminary to two thoroughly difficult encounters next week.

The first of those, to be played by the Wednesday side, will be at altitude, in Potchefstroom, against a mixed South African Invitation XV which must be considerably stronger than the Lions' management can have expected, a Springbok B team by any other name, with all of its members regarded as genuine aspirants for the highest honours. Without admitting as much, South Africa's selectors are using the occasion as a Springbok trial and there are sage pundits in these parts who consider that the side has been chosen with more imagination than the one which twice beat Hugo Porta's Argentines.

The Lions will want to play their international side against Orange Free State on Saturday week. They remain one of the top four Rugby provinces, with strong loose forwards and backs. It remains to be seen how many Lions are asked to play two games in the same week, because the opposition at Potchefstroom looks strong enough, unless taken very seriously, to bring them down.

Everyone close to the Lions is keeping his fingers crossed that Campbell comes safely through his first game of the tour at King's Park on Saturday against a talented, if somewhat unpredictable, side which is capable of playing some attractive, expansive football. It was notable at training this morning, when Noel Murphy had his team huffing and puffing in another punishing workout, that Campbell never once kicked a ball with his right foot. However, the manager, Syd Millar, confirmed afterwards that Campbell would be kicking at goal. Gareth Davies's shoulder injury has ruled him out of consideration for the first international, so it seems vital both for Campbell's own confidence and for his selectors' peace of mind that he emerges from the match against Natal without feeling conscious of the little hamstring tweak that has nagged him since arrival in the Republic.

If things go wrong for Campbell, the Lions' cover at stand-off half will be reduced to David Richards, whom they would much prefer to play against South Africa in the centre, or Peter Morgan, who scarcely looked the part when replacing Gareth Davies in the first game. That surely would mean an immediate SOS for a replacement. Although, as I understand it, Tony Ward has not been asked to stand by as a reserve, he ought at least to be alerted to possibilities. Without Campbell or Davies the Lions would be left dangerously short of what I would term front-line goalkickers. For the moment, though, we must be optimistic.

We must also hope that in Saturday's game, Natal being not unduly potent up front, that the Lions at last can achieve the tight scrummage control and overall tidiness that has so far eluded them, and provide the sort of solid base behind which Gareth Edwards was enabled to direct events to masterfully here in 1974. Seven of the pac kare now due for their second outing together and one looks for a performance with far fewer rough edges; for Terry Holmes to have the protection and the timing of the ball's release—whether from tight or loose play—that a scrum half needs.

The Irish fullback, Rodney O'Donnell, has earned his place in the Saturday side with a game against the invitation team in midweek that was largely secure and versatile. He looked encouragingly safe under the high balls.

On limited evidence—and with limited changes at East London—Clive Woodward cannot be ruled out as a potential member of the International side. The English wings were due for a run together here, Elgan Rees having played in both of the opening games. The handling of Rees caused no heartaches in midweek, and there can be no doubt about his blistering place on the top of the going. He is quicker than John Carleton off the starting block, but the Englishman's strength is always a factor in his favour.

BRITISH ISLES (v Natal): R. C. O'Donnell; J. Carleton, D. S. Richards, R. W. R. Gravell, M. A. C. Slemen; S. O. Campbell, T. D. Holmes, G. Price, P. J. Wheeler, F. E. Cotton, W. B. Beaumont, A. J. Martin, J. Squire, J. R. Beattie, C. C. Tucker.

Rugby League

Council decide on a deadline for Huyton

Huyton, from the second [divi]sion, have been given until [June] 27 to decide whether to co[ntinue] in the Rugby League, a s[pecial] meeting of the Rugby L[eague] Council decided yesterday. H[uyton] have struggled for years a[gainst] financial difficulties, poor r[esults] and vandalism to establish [the] sport in the Liverpool area [and] they recently started a lotte[ry to] pay for their rugby commitm[ents].

A League spokesman [said]: "June 27 is the date o[f the] annual meeting of the Leagu[e and] by then Huyton will have a [good] idea whether the lottery is [a] success or not. The League [will] want to know definitely on [that] day whether Huyton inten[d to] fulfil next season's fixture[s or] withdraw."

Hunslet, another second di[vision] club without a ground of [their] own, will play their home fi[xtures] at Batley next season. The C[ouncil] have accepted the move as a [short] term measure.

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Racing

When Armstrong was over the moon

By Michael Phillips
Racing Correspondent

The York spring meeting ended yesterday as it had begun on Tuesday, bathed in sunshine. The racing matched the brilliant weather and, not for the first time, Lester Piggott, Steve Cauthen and Joe Mercer shared top marks for race riding. They rode two winners apiece.

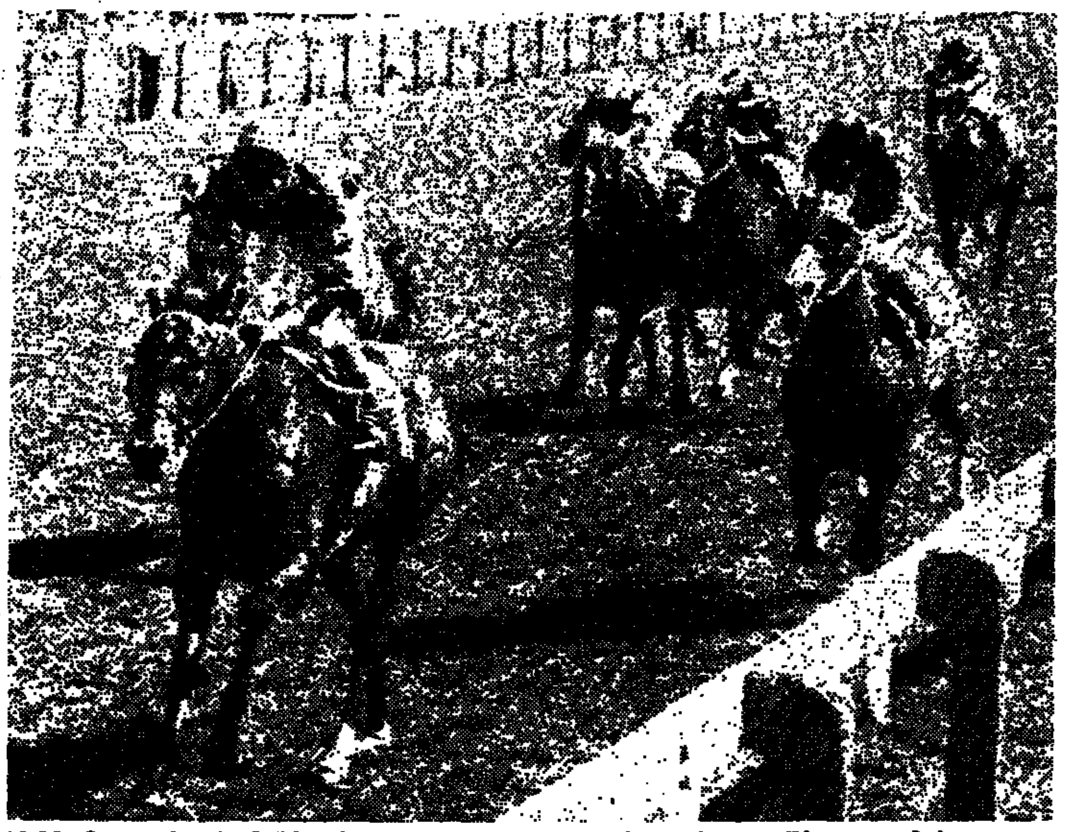
However, if anyone deserved an accolade it was surely Robert Armstrong who took only three horses to York from his yard in Newmarket and won with all three. Piggott and House Guard set the pattern when they won the day before. Yesterday it was the turn of Moorestyle and Noble Saint to crown a wonderful meeting for their trainer. They, too, were ridden by Piggott, his brother-in-law, in his own inimitable style.

Armstrong has gone prematurely grey and he puts that down to the fact that his stable has been plagued by a virus of one description or another for the past seven years. He said this was the first time for many a moon that his horses have run so consistently well at this time of the year.

Moorestyle's victory in the Norwest Holst Trophy went down particularly well locally because he is the property of Moores International Furnishings, Ltd, a company based not many miles from the course at Wetherby. Moorestyle won comfortably yet the race was not devoid of drama. After finishing second on Home Ground, Edward Hide, who has a great following in these parts, was suspended for six days from May 24 by the stewards for careless riding because he had allowed his mount to hamper Greenwood Star badly in the last furlong. The camera patrol film showed that Home Ground had pushed Greenwood Star into the rails; not surprisingly the stewards disqualified him.

Half an hour after Moorestyle's victory Armstrong was back in the winner's enclosure to greet Noble Saint and Piggott after they had won the Yorkshire Cup. Armstrong expected House Guard and Moorestyle to win their races but he was genuinely surprised because he felt that the ground would be too firm for Noble Saint.

Any disappointment that Cauthen fell after a tame ride on Flying Dolphin—the medium of a hefty gamble in the third race—quickly evaporated after he had won the Duke of York Stakes for Barry Hills on Flash N Thunder. Hills and Cauthen won four races at the meeting. Flash N Thunder is clearly far happier running flat out from the word go instead of being restrained, as was the case at Newmarket where he finished last in the Craven Stakes. He never really looked like losing yesterday so he, too, is Royal Ascot bound.



Noble Saint wins Yorkshire Cup to crown a wonderful meeting for Piggott and Armstrong.

Mercer's two winners were Highland Light, who ran on gamely to take the Freshfields Holiday sprint, and Te Kenawa, who landed the odds in the Dringhouses Stakes in spite of hanging and giving him a rather uncomfortable ride. Frank Durr's and Philip Robinson's Golden Spell took yet another step when Jubilee Prince won the York and Ainsty Handicap without much ado.

Although they are far from being the most valuable races today the two confined to two-year-olds run at Newmarket and Newbury could be the most informative. A year ago they were won by Rollahead and Known Fact respectively. Rollahead went on to win the Windsor Castle Stakes at Royal Ascot and the National Stakes at Sandown Park after he had opened his score in the Ashley Maiden Stakes at Newmarket.

Today's field includes two colts who have been showing a lot of promise on the gallops at home—Rehoboam and Goodbye Starter—and another two who have run well already, Everybody's Friend and Show-a-Leg. When I was staying in Newmarket for the Guineas meeting I watched Rehoboam gallop on the Waterhall Trial Ground. He was ridden that morning by Lester Piggott, who will ride him again this afternoon, and he went very nicely with Kirtling, who looked so unlucky not to win the Scarborough Stakes at York on Wednesday. That gallop suggested that Rehoboam has bags of speed and that should not be particularly surprising because he is a half brother to another good two year old, Jeroboam, by Mummy's Pet, who was himself a fast colt. Rehoboam is my selection.

Known Fact began on a triumphant note last year when he won the Penlee Maiden Stakes at Newbury and in the meantime he he has not only won the Middle Park Stakes but also been awarded the 2,000 Guineas on the disqualification of Nureyev.

Habitor, who was an expensive purchase at 40,000 guineas by Lady Beaverbrook when he was a foal, runs in today's race but in this instance I prefer Guy Harwood's American-bred colt, Recitation, who was beaten only a short head and the same distance by Carry On Again and Cutthroat at Sandown.

The principal race at Newbury today is the Sir Charles Clore Memorial Stakes, which is the Old Sandleford Priory Stakes in a new guise, sponsored by the William Hill Organisation in memory of their late chairman. Last year it was won by Scintillate, who went on to win the Oaks. Arguably the most interesting runner in today's field is The Dancer who was successful at Newbury as a two-year-old and also at Doncaster where she won the May Hill Stakes. Afterwards The Dancer ran badly in the Criterium des Pouliches at Longchamps on Arc day. Subsequently it was discovered that she was going blind in her left eye.

The feeling at West Ilsley, where she is trained by Dick Hern, is that the disability will not affect her just so long as she always races on a left-handed course and that is why she is running at Newbury this afternoon. In fact Hern has already experimented by taking The Dancer to Newbury for a work-out after racing this spring. If she is unable to reproduce in public her good form of last year the winner should be found amongst a group containing Good Lassie, Far Away, Madigan Mill and Saint Osyth.

STATE OF GOING (official): Pontefract: firm. Newbury: good to firm. Newmarket: good to firm. Tomorrow: Thirsk: firm. Market Rasen: good to firm. Warwick: firm.

Blood and money are flowing at Brighton

Four favourites obliged at Brighton yesterday but there was a serious reverse for punters when a gamble on Grand Conde failed and the horse returned with blood streaming from his nose in the Hurstpierpoint Handicap.

Supported down to 13-8 Grand Conde looked to have plenty to do at the top of the hill, but Brian Rouse reported his mount broke a blood vessel and he had to pull him up. In a desperate finish, Overseas Admirer held off the strong finishing Prince of Spain. "I'm delighted about this, for Overseas Admirer held off the best late in the season. He's been a delicate sort but appears much better this year." John Winter said.

This was the second case of broken blood vessels. In the first race Get Me Out had also to be pulled up with the same complaint, and dropped dead after passing the finishing line.

Carrying colours much better known over jumps Fernaro followed up his success at Salisbury last week with a narrow defeat of McMartim in the Brighton Festival Handicap. Fernaro is trained by Richard Hannon, who said: "The colt hates the ground. We took a chance running him. He won't be out again until the running eases."

Chuckaroo belied his age when romping home from Un Pour Tous by three lengths in the Pyecombe Apprentice Stakes. Ray Laing, his trainer, was head man to Peter Walwyn whom he joined when he first set up in business at Lambourn. Laing began to train three years ago.

The winner was confidently partnered by 19-year-old Peter Bloomfield, the twelfth win of his career. This was only his second mount of the current campaign and his first success.

So easy for Ruscelli at Longchamp

From Desmond Stoneham
French Racing Correspondent
Paris, May 15

The 11-10 favourite, Ruscelli, had no problem in today's one mile Prix de la Jonchere at Longchamp and won the £16,000 contest by a comfortable one and a half lengths from Joberan with the outsider, Saratoga Game, the same distance away third.

Yves Saint-Martin always had Ruscelli tucked in just behind the leading group. With a furlong and a half left to run, Ruscelli swept past Joberan and Viteric while Saratoga Game was making late progress to ensure third place.

Trainer Freddie Palmer will next race Ruscelli in the nine furlong Prix Jean Prat at Chantilly on June 8. Owned by a Japanese businessman, Akira Tomita, Ruscelli fetched 160,000 francs (around £18,000) when sold by Agence Francaises at the 1978 Deauville sales.

The second, Joberan, was also sold by the same organization but cost nearly double the price of Ruscelli, who is a most attractive son of Val de l'Orne. Un Reitre was again disappointing and just defeated Viteric for fifth and last place. The firm ground was blamed for his poor performance.

PRIX DE LA JONCHERE (Group 3: 3-y-o: 1m)
RUSCELLI, b c, by Val de L'Orne—Coy Maid (A. Tomita), 8-7 Saint-Martin 1
Joberan .... J. Dupin 2
Saratoga Game .... M. Philipperon 3
ALSO RAN: Un Reitre (4th), Viteric. 5 ran.
Pari-Mutuel 2.20 fr; Pl. 1.50, 2.0. F. Palmer. 1½l, 1½l. 1min 43.9sec.

Bribes taken by 11 jockeys, US court told

New York, May 15.—Eleven leading American jockeys have been accused in court by a fellow jockey of taking bribes to fix dozens of races. Jose Amy, aged 26, told a federal court in New York that he and the other jockeys held back their mounts in races in 1974 and 1975 after taking money from Con Errico, a former rider.

Mr Amy, who has been granted immunity from prosecution for his testimony, said he was paid $1,500 each time he prevented his horse from winning or gaining a place. He was testifying at the trial of Mr Errico, who is accused of bribing jockeys at New York.

The jockeys accused by Mr Amy of taking bribes include this year's Kentucky Derby winner, Jacinto Vasquez. They have been under investigation by the federal government but all have said they are innocent.

Another witness, Patrick O'Brien, a former vice-president of operations for the New York Racing Association (NYRA), which governs racing in the state, said a punter won more than $100,000 on a 1974 race that Mr Amy said was fixed. James Heffernan, president of NYRA, said the association had started its own investigation.

Even if the jockeys named were indicted, they would escape criminal prosecution because the five-year Statute of Limitations has expired. Mr Amy said he refused to fix races at first but Mr Errico threatened him unless he agreed.

The trial is continuing.—Reuter.

Equestrianism

Roche takes first prize in the city of flowers

From Muriel Bowen
Lucerne, May 15

The Lucerne International Hrose Show which opened today in a brand new arena beneath the snow-capped mountains, was meant to be one of the major preludes to the Olympics. Instead, it is a charming and pleasant international jumping festival in a city gay with tulips, pansies, and forget-me-knots in full bloom. Although virtually all the major equestrian teams—if not their nations—have boycotted Moscow, the lack of an electric atmosphere associated with Olympic year has not interfered with the ambitions of the riders of 10 nations, all eager for success.

Ireland's was the fihst victory of thte show with Lieutenant John Roche, a product of the Wexford Pony Club on Castle Park vanquishing no fewer than five Olympic gold and silver medallists to win the Heliomalt Prize. Roche, a natural horseman, of unusual talent, maintained an easy balance on tight corners—so essential when speed is the decisive factor—and both he and the horse attacked the course with resolution from start to finish in their first international competition together.

Best of Britain's riders was Tim Grubb on Turn On The Sun placed twelfth, 11.5 seconds behind the winner.

The competition caused an unusual amount of trouble with poles flying in all directions. The main difficulty was a treble of parallels, the two last box parallels with false ground lines. Stars such as Ligges of Germany, and Mancinelli of Italy resorted to some desperate tactics which did not come off. In the Scopey Castle Park, Roche said he had just the horse to cope with the problem. "He's very short striding, and he takes off well back from a fence."

RESULT: (Heliomalt Prize): 1, Ireland, Castle Park, Lt John Roche; 2, Switzerland, Tullis Lass, Thomas Fuchs; 3, Austria, Sorry, Hugo Simon.

Excitement for Great Britain came in the second event when we had got as far as the twenty-third horse before a clear round was completed by Lionel Dunning. Jumping with cool precision he got Jungle Bunny round in 54.1 seconds. This time looked unbeatable given the earlier performances but it was soon eclipsed by an unfancied member of the Polish team, Norton, ridden by a state stud-worker Wieslaw Hartman, who went clear in 41.9. The Poles were thrilled as Hartman had not ridden the horse previously in competition and they did not fancy it themselves.

The course was a smoother one than that in the previous competition. But one of these infamous Lucerne parallels proved the undoing of the more fancied horses in the jump-off.

PREIS BRAUEREIEM: 1, Poland, Norton (Wieslaw Hartman); 2, Great Britain, Jungle Bunny (Lionel Dunning); 3, Italy, Othello (Graziano Mancinelli).

County show

Ricketts has just fraction to spare over Broome

By Pamela MacGregor-Morris

Derek Ricketts was the first to enter the winner's enclosure at the Devon County Show at Exeter, yesterday, when by 0.2 seconds he beat David Broome in the Everest Double Glazing Stakes. Riding the Somerset-bred Harris Homecare (formerly, Sunnyside UP), Broome was the first to go clear over Alan Oliver's course, but Ricketts followed immediately on Coral's Nice and Easy with the only other clear round. John Brown justified his long journey from Scotland by finishing third, with one refusal, on his old partner, Paddy Connelly.

Ian Thomas, the Queen's dressmaker, brought his superlative broodmare, Lucky Strike, by Lucky Leprechaun, down from Warwickshire to stand champion among the matrons, assessed by Bill Manning, who brought his vast experience to bear upon some excellent and well filled breeding classes. A true hunter, she was champion filly and won the Edward, Prince of Wales Cup at the National Hunter Show for the late Mrs Cail, who found her in Yorkshire. She successfully thwarted Mr and Mrs Reg Burrington's attempt to bring off a local double with their mares, beating the lightweight, Helwell Melody.

North Devon farmer Sam Luxton did, however, bring off the double of young hunter champion and reserve, with his three-year-old The Doper by Cannabis, who beat several of last year's winners including the Peterborough champion, Jubilee March.

The reserve went to his two-year-old Moonlight Saunter, a son of the Cornish premium stallion, Saunter, who won the King George V Cup at Newmarket in 1977.

Bertie Hill, the Olympic three-day event gold medallist, and trainer of many top riders including Captain Mark Phillips, judged the ridden hunters and found his champion in the chestnut middleweight Zatopec, by Sunny Light, supreme at Dublin last year, and now ridden by David Tatlow. Reserve was the heavyweight Assurance, a great mover who also won at Windsor a week ago, ridden by Vin Toulson for the South Essex Insurance Brokers.

Family occasion

It will be a family occasion at Newbury tomorrow when Tony Rawlinson and his son, Anthony, both have rides. Tony partners Sherry Spice in the last race and Anthony has his first ride in public half an hour earlier on Swing Alone.

Newmarket programme

2.15 ASHLEY STAKES (2-y-o maidens: £2,281: 5f)

Blue Rhapsody, A. Goodwill, 9-0 .... — 3
3 Everybody's Friend, N. Callaghan, 9-0 .... — 8
Goodbye Starter, H. Cecil, 9-0 .... J. Mercer 6
Heavy Weapon, W. H-Bass, 9-0 .... P. Young 2
Lutomer Riesling, G. P-Gordon, 9-0 .... G. Duffield 9
Manday, J. Hindley, 9-0 .... A. Kimberley 1
Rehoboam, H. Wragg, 9-0 .... L. Piggott 4
3 Show-A-Leg, B. Hobbs, 9-0 .... E. Hide 5
00 Silver Bill, W. O'Gorman, 9-0 .... T. Ives 11
Top of the Mark, C. Brittain, 9-0 .... P. Robinson 10
Silver Samantha, P. Haslam, 8-11 .... B. Jago 7

5-8 Goodbye Starter, 11-4 Rehoboam, 9-2 Everybody's Friend, 5-1 Show-A-Leg, 10-1 Manday, 14-1 Heavy Weapon, 16-1 others.

2.45 COWLINGE STAKES (Selling: 3-y-o: £1,287: 1m)
[illegible]

3.15 THURLOW HANDICAP (£2,120: 1¼m)
[illegible]

3.45 BRANDON HANDICAP (£2,758: 7f)
[illegible]

20 02-2433 Star Venture, G. Huffer, 4-7-10 .... M. Miller 8
23 0104-02 Terry Paine, D. Ringer, 5-7-9 .... R. Street 5
24 0003-01 Heddingham Boy, A. Goodwill, 5-7-7 .... S. Salmon 1

5-2 Oldstock, 4-1 Tower Joy, 9-2 Silley's Knight, 6-1 Heddingham Boy, 8-1 Star Venture, 10-1 Terry Paine, 12-1 Cajolery, 16-1 others.

4.15 DITCH STAKES (3-y-o: £2,484: 7f)

3 21 Triumphant, H. Candy, 9-4 .... P. Waldron 5
7 3444-0 Highest Bidder, W. O'Gorman, 9-0 .... T. Ives 4
8 000- Joe Poles, T. Molony, 9-0 .... S. Parr 5 10
11 0- Mangas, G. Harwood, 9-0 .... M. L. Thomas 11
12 Northern King, C. Brittain, 9-0 .... P. Bradwell 5 7
14 0 Saville Row, H. Cecil, 9-0 .... J. Mercer 3
17 0442- Drill, G. P-Gordon, 8-11 .... D. Brockbank 7 12
18 02- Fontana, M. Stoute, 8-11 .... L. Piggott 14
20 0 Lightning Lady, P. Kelleway, 8-11 .... P. Young 8
21 00- Menotte, J. Winter, 8-11 .... E. Hide [illegible]
[illegible]
[illegible] Pittance, Thomas Jones, 8-11 .... P. Cook 6
[illegible] Plage, R. Sheather, 8-11 .... R. Cochrane 5 1
[illegible] 00- Star Fleck, B. Hanbury, 8-11 .... S. Nicholls 7 13
26 0-0 Tudor Twain, J. Winter, 8-11 .... A. Kimberley 9

9-4 Highest Bidder, 3-1 Triumphant, 9-2 Saville Row, 5-1 Fontana, 8-1 Drill, 10-1 Pittance, 14-1 others.

4.45 QUEENSBURY HANDICAP (£2,110: 5f)

1 000-020 Al-Amal (D), W. O'Gorman, 4-10-0 .... T. Ives 7
2 000-000 Laudon (D), C. Brittain, 5-9-11 .... P. Bradwell 5 2
3 2400-02 St Terramar (D), W. Guest, 5-9-5 .... — 6
5 10-0231 Balvima (D), A. Dalton, 4-8-10 .... B. Crossley 7 3
7 4100-00 Strictly Swing (D), J. Sutcliffe, 4-8-7 .... J. Mercer 1
9 000100- Gold Prospector (C), R. Armstrong, 3-8-0 .... — 5
12 11-0000 Manilow (CD), B. Swift, 3-7-9 .... M. L. Thomas 4

11-4 Strictly Swing, 3-1 St Terramar, 4-1 Balvima, 6-1 Al-Amal, 8-1 Manilow, 13-1 Laudon, Gold Prospector.

Newmarket selections

By Michael Phillips

2.15 REHOBOAM is specially recommended. 2.45 Norfolk Flight. 3.15 Lenygon. 3.45 Oldstock. 4.15 Highest Bidder. 4.45 Balvima.

By Our Newmarket Correspondent

2.15 Rehoboam. 2.45 Norfolk Flight. 3.15 Lenygon. 3.45 Silley's Knight. 4.15 Highest Bidder. 4.45 Balvima.

Pontefract programme

6.45 WALNUT STAKES (£1,857: 1¼m)
[illegible]

7.15 BEECH SELLING HANDICAP (£676: 1m)
[illegible]

7.35 M.A.N.—V.W. HANDICAP (3-y-o: £1,427: 1m)
[illegible]

11-10 Hill's Northern, 5-2 Carlton Hall, 5-1 Swan Uppling, 8-1 Miss Barnaby.

8.5 SYCAMORE STAKES (2-y-o fillies: £1,928: 5f)

1 310 Elesian (D), C. Nelson, 8-8 .... E. Hide 4
[illegible] Andrea's Pet, P. Wigham, 8-4 .... M. Wigham 12
[illegible] Caribbean Breeze, B. Hanbury, 8-4 .... W. Swinburn 5 7
[illegible] Celtic Pride, G. Wallace, 8-4 .... D. Nicholls 1
[illegible] First Award, H. Fleming, 8-4 .... J. Seagrave 11
[illegible] Matilda Cave, M. Tompkins, 8-4 .... S. Parr 5 2
10 00 Midridge Drift, R. Stubbs, 8-4 .... J. Lowe 6
11 232 Miss Cheesy, J. Berry, 8-4 .... K. Darley 8
12 Monevette, G. Toft, 8-4 .... S. Lawes 5 3
13 Promenade Concert, M. H. Easterby, 8-4 .... M. Birch 10
[illegible]

8.35 POPLAR HANDICAP (£1,176: 1¼m)
[illegible]

9.5 CEDAR STAKES (Maiden 3-y-o: £711: 6f)
[illegible]

Sharp Christmas, 10-1 Sandra's Secret, 12-1 Holy Power, 16-1 Keeps Going Right.

Pontefract selections

By Michael Seely

6.45 PRINCE RHEINGOLD is specially recommended. 7.15 Miss Kuwait. 7.35 Hill's Northern. 8.5 Caribbean Breeze. 8.35 Coriace. 9.5 Audacity.

By Our Newmarket Correspondent

6.45 Constant Rose. 7.35 Beryl's Gift. 8.5 Caribbean Breeze. 8.35 Regalus. 9.5 Audacity.

Newbury programme

[Television (BBC 2): 2.30, 3.0, 3.30 and 4.0 races]

2.0 PENLEE STAKES (2-y-o maidens: £1,996: 5f)

2 00 Banbury Cross, W. Wightman, 9-0 .... S. Woolley 5 4
5 4 Chanson Du Nuit, P. Cole, 9-0 .... G. Baxter 11
7 0 Cima, J. Old, 9-0 .... J. Matthias 9
9 Frome, R. Smyth, 9-0 .... B. Raymond 3
10 Good Habit, E. Beeson, 9-0 .... B. Rouse 5
11 Habitor, W. Hern, 9-0 .... W. Carson 6
13 00 Hill of Barra, C. Benstead, 9-0 .... T. Sturrock 10
[illegible] I'll See You, C. Brittain, 9-0 .... J. Lynch 2
[illegible]

2.30 CROWN PLUS TWO CHAMPIONSHIP (Apprentices: £2,698: 7f)
[illegible]

3.0 SIR CHARLES CLORE STAKES (3-y-o fillies: £8,103: 1¼m)
[illegible]

3.30 ENBORNE HEATH HANDICAP (3-y-o: £2,337: 7f 60yd)
[illegible]

4.0 ASTON PARK STAKES (£3,889: 1m 5f 60yd)
[illegible]

4.30 MANTON STAKES (3-y-o maidens: £2,183: 6f)
[illegible]

Dunderave, 8-1 Pert Lad, 10-1 Left Lonely, 12-1 Mississipi Shuffle, 14-1 others.

Newbury selections

By Michael Phillips

2.0 RECITATION is specially recommended. 2.30 Bird's Custard. *3.0 The Dancer. 3.30 Smashing Fellow. 4.0 Balinger.* 4.30 Shady Spring.

By Our Newmarket Correspondent

2.0 I'll See You. 2.30 Hazard Chase. 3.0 Madigan Mill. 3.30 Irish Commandment. 4.0 Barley Hill. 4.30 Shady Spring.

York results

[illegible]

ALSO RAN: 15-2 World Affair (4th), 100-1 Golden Leicester. 5 ran.

TOTE: Win, 19p; places, 20p; dual forecast, 14p; CSF, 22p. H. Cecil, at Newmarket. 4l, 2½l. 1min 37.81sec. Cilium and Lingdale did not run. 10-1 Withdrawn, a deduction of 10p in the pound applies.

TOTE DOUBLE: Highland Light, Moorestyle, £12.85. Treble: Moorestyle, Noble Saint, Flash n Thunder, £515.80. Placepot: £298.

Brighton

1.45 (1.49) PYECOMBE STAKES (Apprentices: £1,440: 1¼m)

CHUKAROO, b h by Kibenka—Wild Words (T. Smith), 8-9-3, P. Bloomfield (3-5 fav) 1
Un Pour Tous ...... M. Saunders (3-1) 2
Bell-Tent ...... S. Woolley (9-2) 3
[illegible]

dual forecast: 31p. CSF: £1.05. R. Hannon at Marlborough. Sk, 1½l. Time: 1min 35.53sec.

3.15 (3.16) SOUTHWICK STAKES (2-y-o: £1,595: 5f)

TUDOR JUDGE, b c by Tudor Rhythm—Jedburgh Justice (Mrs N. Vigors) 8-4 R. Curant (9-4) 1
Superb Music ... K. Leason (13-3) 2
Coal Bunker ... R. Cochrane (10-1) 3

ALSO RAN: 2-1 fav Southoe Bell (4th), 15-2 Queensbury Girl, 12-1 Go Lissava, 14-1 Willie Wedge. 7 ran.

TOTE: Win, 17p; places, 11p, 21p; dual forecast, 45p. CSF: £1.69. N. Vigors at Upper Lambourn. 1½l, 5l. 1min 05.20sec.

3.45 (3.46) HURSTPIERPOINT HANDICAP (£1,993: 7f)

OVERSEAS ADMIRER, b g by High Top—Villa Marina (Mrs S. Burley) 6-9-0 R. Curant (15-2) 1
Prince of Spain ... T. Rogers (9-2) 2
[illegible]

Perth NH

2.15: 1, Stella's Pet (6-1); 2, *Alexbroc (5-2 fav)*; 3, *Floran* (14-1). 9 ran. Still Windy did not run.

2.45: 1, Tangles Brother (4-6 fav); 2, Brother Will (2-1); 3, Burcior (9-2). 3 ran.

3.15: 1, Tribal Warlord (100-30); 2, Nabat (8-11 fav); 3, Vidkun (4-1). 4 ran.

3.45: 1, Royal Pig (4-1); 2, Marsh Reed (1-2 fav); 3, On The Ball (9-1). 10 ran.

4.15: 1, Dalloway (4-7 fav); 2, Coopers Hill (20-1). 4 ran. Gleen did not run.

4.45: 1, Redasel (2-5 fav); 2, Dunstan Mood (30-1); 3, Galageer (12-1). 9 ran. Canty's Brig did not run.

Ludlow NH

2.30: 1, Beau Sovereign (7-1); 2, Phred (2-1 fav); 3, Spring Fashion (25-1). 13 ran. NR: [illegible]

[illegible]

(25-1). The Vinegar Man 8-15 fav. 6 ran.

5.0: 1, Rag Time Band (11-4); 2, Poppy Fields (7-1); 3, Fly Blackie (50-1). Christmas Visit 2-1 fav. 15 ran. NR: Canhoss D'Or and Sergeant Jim.

The following results at Ludlow's meeting on Wednesday evening arrived too late for inclusion in our early edition.

8.0: 1, My Buck (evens); 2, Virgin Slave (7-1); 3, Mighty Marine (2-1).

8.30: 1, Gill Beck (7-4); 2, Bannock Burn (11-8) fav.; 3, Tamarind Gem (11-4). 4 ran. Liberty Legend did not run.

Uttoxeter NH

6.15: 1, LAVENHAM LADY (2-1); 2, Golden Jest (4-6 fav); 3, Splendid Boy (33-1).

6.45: 1, THINK BIG (6-4 fav); 2, Valley of Rocks (5-1); 3, Graigue House (5-1). Valley of Rocks finished first. After a Stewards enquiry Valley of Rocks was disqualified and placed second and the race awarded to Think Big.

[illegible]

Lupin runners

ACCEPTORS: Prix Lupin (1m 2f 110yd) at Longchamp (Sunday): Allyoun, Cannidas, Karellaan (Y Saint-Martin), Natymad, Ben Nevis (Dent), Belgio, Parc Imperial, Val Normand, Daroda, Nice Havrais (J. Mercer), Boulad Dragon, In Fijar (A. Gibert), Confetti, Grandak (A. Lequeux), Robiffic, Satangkai, Teacher's Pet, Imperial Eagle, Corvaro (L. Piggott), Argument (J-C Desaint), Blast Off (M. Philipperon), Fabulous Prince, Saint Jonathon (S. Cauthen), Policeman, Ruscelli, Marcello, First of the Line (F. Head)

With Philippe Paquet disqualified from riding following his wayward tactics on Nureyev in the 2,000 Guineas, Francois Boutin today completed his riding plans for next Sunday's *Prix Lupin*. Lester Piggott has been engaged for Gerald Oldham's Corvaro and Joe Mercer will team up with Nice Havrais. Last time out, Corvaro *finished second to Shakapour* in the Prix de Guiche and Nice Havrais disappointed in the Poule d'Essai des Poulains, having previously looked classy when winning the Prix de Fontainebleau.

PARLIAMENT, May 15, 1980

Heavy demand for borrowing keeps interest rates high

House of Commons

The Prime Minister discussed high interest rates with the Chancellor of the Exchequer this morning and, she said at question time, while demand for borrowing remained as high as it was, interest rates could not come down.

Mr Geraint Howells (Cardigan, L) said that the high interest rate was having a disastrous effect on small businesses.

Will she discuss the matter with the Chancellor today (he asked) and recommend forthwith that Bank rate should be lowered.

Mrs Margaret Thatcher (Barnet, Finchley, C)—I discussed it with the Chancellor this morning. The banking figures out recently and the money supply figures, out today, indicate that there is still a high demand for borrowing from manufacturing industry and also still considerable demand from the personal sector. While that demand remains as high as it is, the interest rate cannot come down.

Mr Esmond Bulmer (Kidderminster, C)—Pay increases not justified by productivity are the greatest avoidable source of unemployment at present. To the extent that the TUC continue to promote them, yesterday's demonstration resembled the rage of Caliban seeing his own reflection in a glass.

The TUC should think through policies more clearly in tune with the long-term aspirations of their members as taxpayers, consumers, and wage-earners than those projected yesterday.

Mrs Thatcher—I agree. Where there is a wide gap between high pay increases and increased output, that gap will lead to increased unemployment. I hope that is a fact which evtryone will take into account.

About the events yesterday, the people of Britain gave their verdict on the TUC: "Carry on Britain" and that was right.

Mr George Foulkes (South Ayrshire, Lab)—Has Mrs Thatcher noted reports that inflation is about to reach 21 per cent. Pension increases announced in the Budget will keep up in no way with inflation. Will she arrange for an early announcement that the increase will be incrtased?

Mrs Thatcher—It is expected that the inflation rate will rise when it is announced tomorrow. There are, of course technical reasons (Labour laughter)—the budget was earlier this year than last. There are also great reasons of substance: very high pay increases and substantial increases in raw material prices over and above the increases in the price of oil.

About pensions, the requisite figure is from November to November and it is too early for that.

Mr Colin Shepherd (Hereford, C)—Will the Prime Minister study the difference in pay settlements between the private sector and the public services and especially water authorities, bearing in mind that our constituents, especially mine, are increasingly unable to pay the enormous cost of water and sewage treatment.

Mrs Thatcher—I confirm that the level of settlements in private manufacturing industry has in general been lower than the level of settlements in public monopolies, including thoser in water authorities.

One water authority has already been referred to the Monopolies Commission and it is the intention to refer others to the commission. I hope that everyone will take note that competition keeps prices down.

Mr Alan Haselhurst (Saffron Walden, C)—The fact that so many people ignored the TUC call yesterday may owe a lot to the fact that the Government has judged its employment legislation about right and that it has widespread support among trade unionists.

Mrs Thatcher—That is absolutely right. Yesterday also showed that people will have no truck with political strikes. They would rather get on with the job.

Sanctions response to plea from US

House of Lords

The patience and forebearance shown by the United States Government and people over the taking of their diplomats as hostages in Iran had been remarkable, Lord Soames, Lord President of the Council, said in moving the second reading of the Iran (Temporary Powers) Bill.

We only have to think of the position we would have found ourselves in (he said) and of the attitude of this House and of the Commons if the same sort of events had happpned to our diplomats.

He said that the Bill represented the Government's response to a plea by the United States which had been made similarly to Britain's allies in the European Community and the United Nations and more widely to take further steps of concrete support for the United States, including the imposition of economic sanctions.

It was obvious that if sanctions were to have any effect Britain should not allow her competitors merely, as it were, to step into her shoes and take her trade. She must ensure that such steps were taken together with others.

Britain had maintained close consultation with her partners in the Nine, and it was essential that the Nine as a whole collectively agreed on the application of sanctions to be taken against Iran.

The Bill was an enabling measure which did not impose specific sanctions, but provided the Government with the power to implement them if and when it was desired.

Britain wanted good relations with Iran, but the continued detention of the United States diplomats as hostages meant that such relations were at present impossible.

The purpose of the economic sanctions which Britain and the Nine had announced was to show the Iranian authorities and people that they could not expect reasonable and fruitful relations with the West while they continued to show by the holding of United States diplomats the most flagrant disrespect of fundamental international obligations.

It would be a brave man who said what effect anything would have on the Government of Iran. The political situation was to say the least confused, and the exercise of political power unpredictable. But nor did he believe that the taking of sanctions by the West would have a negligible effect on the Iran economy which during the last few months had shown that Iran's trade with the west had been rising.

This enabling Bill represented Britain's commitment with her allies in the European Community to a peaceful and hopefully quick solution of the problem of the hostages.

The continued violation of a fundamental principle of international relations would not be tolerated by the West and the Bill showed that it would act effectively to demonstrate its abhorrence.

Lord Goronwy-Roberts (Lab), Opposition spokesman on foreign and Commonwealth affairs, said the Government and other countries should adopt a gradualist approach in applying sanctions so that the screw on Iran could be slowly tightened and hopefully untightened as the situation developed.

There should be an effective monitoring system to ensure that what one country did in the way of sanctions was equally done by other members in the EEC and outside.

Many Labour peers were prepared to allow the Government to have the Bill as long as it made further efforts in the United Nations and bilaterally to resolve the problem of the hostages and to restore proper respect for international law, before implementing the sanctions.

It was possible to do this. If the Government decided it was no use going to the Security Council, there was the possibility of going to the UN General Assembly.

Lord Gladwyn (L) said the decision to take economic sanctions on May 17 had been made on the assumption that if this was done, the American Government would not resort to forceful measures. That assumption had proved unjustified and the American action had complicated the issue considerably.

All experience had shown that economic sanctions did not work. Whatever was done in the present unfortunate affair had grave disadvantages.

The Government must be allowed to exercise its discretion at such a critical time. The first objective was to dissuade the Americans from taking unilateral military action.

Lord Brockway (Lab) said the Bill was being introduced not with confidence in the ability of sanctions to bring about the desired result, but because a gesture of friendship to the United States was necessary.

The Bill could even fail in achieving that. It did not include banking, financial services, or trade existing under present contracts. It was a limited Bill.

The Bill should not be supported because economic sanctions, even of the limited character proposed, would place the hostages in greater danger. It would drive an unwilling Iran to turning towards the Soviet Union for economic cooperation.

Economic sanctions will fail (he said) and there will be overwhelming and irresistible pressure in America for military intervention again.

Lord Hatch of Lusby (Lab) said the danger was that the Bill, far from minimizing tension, would provoke further military action by the United States because sanctions were almost certain to fail.

The British Foreign Secretary was the best person in western Europe to lead a policy of mediation by influencing Moscow and Washington.

Lord Noel-Baker (Lab) said that he would feel happier if the sanctions were being imposed by the Security Council or by the United Nations Assembly.

A commission of inquiry should be appointed with statesmen of different nations—of the standing of Prime Ministers or Presidents not in office—to start a new dialogue with Iran and the United States. It should report to the Security Council.

Lord Trefgarne, a Lord in Waiting, said it was only after diplomacy had failed that the United States had turned to its allies for help of a more practical kind. The United States was entitled to support.

The Government did not believe, as some maintained, that sanctions would have no more than a negligible effect. Iran would find it difficult to satisfactorily replace the trade it stood to lose by seeking to establish a closer relationship with East European countries.

The difficulty with proceeding through the general assembly of the United Nations, as suggested by several peers, was that the result which might come from the assembly was not generally binding and did have the same effect as the security council resolution.

The Bill reflected the need for Britain to take positive steps to support her American friends and allies. What sort of ally would Britain be if it failed to support America now?

The Bill was read t second time, passed the committee stage and was read the third time by 82 votes to four—Government majority, 78.

UK enforcing fishing laws against all intruders

Most members of the EEC were prepared to work constructively towards a resolution of the fisheries problem, Mr Alick Buchanan-Smith, Minister of State for Agriculture, Fisheries and Food, said during questions. Britain's position on a common fisheries policy had been made clear, he added.

Mr Buchanan-Smith had told Mr Peter Fraser (South Angus, C)—that since the last Council of fisheries ministers on January 29, Britain had had bilateral consultation with fisheries ministers of other Community countries and with the Commission.

Mr Fraser—Will he bear in mind the forceful representations made by the Scottish fishing industry in Perth last week on massive increases in fish imports? Will he work to secure within the EEC increases in the normal external import tariffs on both frozen and fresh fish?

Mr Buchanan-Smith (North Angus and Mearns, C)—I acknowledge the great difficulties created by imports. As to the Commission the whole question of reference prices and tariffs is under review with the hopes of changes coming into force at the beginning of July.

Mr Alan Beith (Berwick upon Tweed, L)—It is apparent that little of thet fishing industry will be left by the time these renegotiations are completed. With the evidence of other countries blatantly disregarding conservation regulations, should we not take unilateral action?

Mr Buchanan-Smith—We lack effective Community legally-backed controls over illegal fishing by any nation. We would get this with a common fisheries policy.

Mr Robert Hughes (Aberdeen, North, Lab)—How will he ensure the rules are kept under the new regime as the present rules are constantly broken?

Mr Buchanan-Smith—We enforce the rules in our waters up to 200 miles without discrimination against ships of any nation. The problem is that it is currently up to the individual nation to apply the rules. Doubts are expressed if other nations apply them as rigorously as we do. Under a Community regime those regulations will have the force of law.

Mr Iain Sproat (Aberdeen, South, C)—Vital as it is to sort out the future CFP it is equally vital to make sure that our partners keep the present fisheries policy. It is incredible that herring illegally caught by French vessels should be illegally auctioned by auctioneers employed by the French Government. He should sort out this scandalous cheating in EEC regulations.

Mr Buchanan-Smith—He is basing that on a television programme. The French authorties have undertaken prosecutions against some of their fishermen.

Mr James Johnson (Kingston upon Hull, West, Lab)—In negotiations, what are the terms on which we shall stand?

Mr Buchanan-Smith—On some issues we have made great progress in the last year. We have made clear that among matters crucial to us are exclusive access, a fair share of quotas, and effective conservation.

Mr Robert Hicks (Bodmin, C)—Will he resist the German fisheries minister's suggestion that vessels from all states can come right up to our coastline?

Mr Buchanan-Smith—We have made it clear, as did the Labour Government, that we must have an adequate exclusive zone for our ships and a further degree of preference beyond that. We stand behind that.

Mr Roy Mason, Chief Opposition spokesman on agriculture and fisheries (Barnsley, Lab)—It seems the objective of getting a CFP satisfactory to us is being more delayed and resistance from the French, Dutch, and Danes is proving sufficient to make sure that, during this delay, many of our ports and fleets are going to sink.

What further aid could be given to the fishing industry until we get this policy?

Mr Buchanan-Smith—The issues of the CFP are complex and need great preparation. From our bilateral discussions most of our colleagues in Europe are prepared to work constructively towards a resolution.

On the industry's problems, we have introduced a scheme which is not only on the lines asked for by the industry but involves a sum of money asked for by both the industry and the Labour Party.

Nothing very new in initiative on Afghanistan

Propsals for a political settlement put forward by the Afghanistan Government were not very different from those made previously and did not include the essential condition of the withdrawal of Soviet troops, Mrs Margaret Thatcher, the Prime Minister, said

Mr David Atkinson (Bournemouth, East, C)—Does Mrs Thatcher regard the announcement yesterday by Tass that Afghanistan wishes to discuss neutrality as a timely gimmick to influence the decision on sending teams to the Olympic Games

Will she make clear that for any arrangements on neutrality to be acceptable to the West requires the total withdrawal of Soviet troops from that country, the holding of free and fair elections and the respect for human rights and fundamental freedoms in Afghanistan?

Mrs Thatcher—We observed the proposals about Afghanistan which came out this morning. They were not really very different from those which had been previously published on April 17.

Nevertheless we will look at them. We also noted they did not make provision for the essential withdrawal of Soviet troops from Afghanistan that most of us would regard as the minimum circumstances and conditions before anyone considers going to the Olympic Games.

Mr Michael Foot, deputy leader of the Opposition (Ebbw Vale, Lab)—Would not the meeting of foreign ministers at the weekend be a convenient opportunity carefully to consider the proposal which has been made to see whether a response can be made which could lead to further negotiations?

Mrs Thatcher—The foreign ministers are at present in Vienna in connexion with the twentieth anniversary of the Austrian treaty. Doubtless they are discussing it. The Foreign Secretary (Lord Carrington) observed when he arrived that the proposals did not seem very different from those we had heard of previously.

He will look at them. We also observed they did not make provision for the withdrawal of Russian troops from Afghanistan.

Allegations 'dragged up again for sensational purposes'

Newspaper allegations about corruption in high places in Hongkong were old allegations which had already been investigated, Mr Norman St John-Stevas, Chancellor of the Duchy of Lancaster and Leader of the House, insisted during exchanges following his announcement of Commons business for next week.

The exchanges began when Mr Christopher Price (Lewisham, East, Lab)—asked if the House could have an early statement about allegations in today's press that senior officials of the Foreign Office employed at General Communications Headquarters in Hongkong were involved in corruption, the control of prostitution, the leaking of secrets to other countries and the use of surveillance techniques to prevent British journalists finding this out.

Since the budget of GCHQ (he went on) is not subject to the sort of scrutiny in this House which other public expenditure has, an early statement is necessary to allay public concern about this issue.

Mr St John-Stevas (Chelmsford, C)—I do not believe there is widespread public concern over those allegations. (A Labour MP: "You are not bothered") I am not bothered. I am not bothered about it for this reason. Those allegations have been thoroughly investigated. They are old allegations that have been dragged up again for sensational purposes.

It is an attempt by one section of the popular press to exploit a situation that has already been dealt with.

Mr Robert Brown (Newcastle upon Tyne, West, Lab)—The Prime Minister has overall responsibility for national security. It is not good enough for the Leader of the House to say that these allegations have already been dealt with.

We are entitled to a statement from the person responsible for security to this House, not to the Tory Cabinet.

Mr St John Stevas—Responsibility for the security forces rests with the Prime Minister. If, therefore, MPs wish to pursue it they must pursue it with her.

I was giving perhaps an early indication of the view of the Government on this matter and stating that these matters have already been investigated and found to be without foundation.

Mr Michael Foot, Deputy Leader of the Opposition (Ebbw Vale, Lab)—He may be under a misapprehension. Perhaps he would like to look at it afresh. These allegations, with a considerable amount of documentation, are appearing in the *New Statesman* and the *Daily Mirror* tomorrow.

I agree that this is not an absolute proof of their validity, but before he jumps in and says they are just old allegations, it would be much wiser to say that he will go away and look at it and see whether we could have a statement on the subject next week.

Mr St John-Stevas—He should not base himself on an inaccurate knowledge of the facts. I have not read the *New Statesman*, but the allegations are already in the *Daily Mirror*. They are in today's *Daily Mirror*.

The fact that they are in the *Daily Mirror* does not prove their validity, neither does it prove their essential falsehood.

But the *Daily Mirror* does occasionally lend itself to a journalistic approach—we have seen it with regard to the catering arrangements in this House by a distinguished journalist—which is not always balanced.

I am endeavouring to redress the balance by setting these allegations in their proper context. They are old allegations and they have been investigated.

Mr Arthur Davidson (Accrington, Lab)—Would he at least read the *New Statesman* article, distasteful as that may be for him, before deciding whether there is any truth in the allegations?

If he feels there is any truth in the allegations will he arrange for Mrs Thatcher to make a statement? He should not rub the matter off so lightly.

Mr St John-Stevas—The allegations are in the *Daily Mirror* today. It is those allegations to which I was referring. I wholly accept they are also in the *New Statesman*.

I will certainly, as an act of supererogation, read the *New Statesman*. It will not do me much good and I do not think it will do anyone else much good. I have no responsibility in these matters. MPs must raise it with the Prime Minister.

Mr Christopher Price handed the Leader of the House a copy of the *New Statesman*.

More tenants to get rent Act protection

Mr Michael Heseltine, Secretary of State for Environment, in a written reply the Government had tabled a new clause and schedule to the Housing Bill which would enable tenants of the Crown Estate Commissioners and the Duchies of Lancaster and Cornwall to benefit from formal Rent Act protection.

It has been the practice of the Crown Estate Commissioners(he said) to apply the Rent Acts administratively. Nevertheless in the light of recent representations and a review of their arrangements in which tenants' associations were consulted, the Commissioners have concluded that their tenancies should be formally included within tht Rent Acts and associated legislation in order that their tenants should have no doubts about their rights and status.

The Duchies have decided that they wish to do likewise. The Government agree with these conclusions.

Government drops proposal to impose eye testing charge

When the report stage of the Health Services Bill began Mr William Hamilton (Central Fife, Lab) moved a new clause to amend the National Health Service (Scotland) Act 1978 to exempt people in Scotland registered with a local authority as partially sighted, from charges for certain optical appliances.

Dr Gerard Vaughan, Minister of State for Health (Reading, South, C) said strong representations had been made to the Government that the way in which charges for sight testing were proposed was not necessarily in the best interests of the patient.

The Government felt that the patient's needs must always be carefully considered so it had decided that it would not be right to proceed without further discussions. It hoped to put down a modified clause for debate later on in the report stage.

Mr Alan Beith (Berwick upon Tweed, L) said it might be easier to congratulate Dr Vaughan if the House knew exactly what he was doing. But they had been unable to find out.

Nobody was complaining that Dr Vaughan had moved quickly to remove a clause in order to get rid of an obnoxious notion that people should be charged for sight testing. But Dr Vaughan had given the impression that there might just be a modification and that the Government might come back with this at a later stage.

Mr Paul Dean (Somerset, North, C) said he hoped the minister would give a little more indication of what the Government had in mind.

If, as he hoped, the Government had decided it would be inappropriate to charge for examinations, £10m or £11m of revenue would not be raised. He would regret seeing that amount sacrificed because it would not be available for use in other areas of the NHS.

The minister should give some indication of other areas within which a similar amount could be raised.

Mrs Jill Knight (Birmingham, Edgbaston, C) said there was a great deal of difference between levying a charge for an examination to see whether a condition existed which must be treated, and charging for an appliance.

Throughout the NHS it had been a long accepted principle that examination should be free. Retaining an early warning system was of immense value.

Mr Laurence Pavitt (Brent, South, Lab) said what the House needed to know from the Government was whether it was going to continue for the first time in any sector of the NHS with an entirely new charge for early diagnosis.

Dr Vaughan said that the Government did not want in any way to create a deterrent for people seeking eye-testing and who needed treatment.

Representations had been made to them. In many cases they had been strong. They came from the Conservative side of the House and from outside, but he was not aware of any strong representations from Opposition members.

Several Labour MPs rose to protest andMr William Hamilton (Central Fife, Lab) said: The minister is deceiving the House.

Mr Roland Moyle, an Opposition spokesman on health (Lewisham, East, Lab) on a point of order, said: If an MP attempts to mislead the House as to the facts, what remedy have I to make sure the record is made correctly? The minister must be aware that we had a three-line whip to vote against the charges so how he can say he received no representations, I do not know.

Dr Vaughan said that it was characteristic of the Government and its democratic processes that when it had strong representations put to it, it was only too willing to examine them. (Labour laughter.)

It is not our intention (he said) to proceed with the charge for sight testing. (Conservative cheers.) It is our intention to recover the amount which would have been raised, by other charges in the optical area.

They would consult further with the professions, and hoped to put down a modified clause and schedules in time for full debate after the spring recess.

Mr Reginald Race (Haringey, Wood Green, Lab)—said that the minister had walked into a minefield. The Association of Optical Practitioners had said that the introduction of such statutory charges would breach a fundamental principle of the NHS that should be preserved: clinical examination without charge.

He did not argue that the charges which were to have been made in the ophthalmic sector should be made later somewhere else. If the minister was saying that the Chancellor was wrong in principle when he had said that the Government would introduce the charge, it was the Chancellor's job to provide the money which would otherwise have been brought in by the tax. The NHS should not be asked to find it.

Mr Russell Fairgrieve, Under-Secretary of State for Scotland (West Aberdeenshire, C) said the apparent intension of tht proposers of the new clause had already been met by the provisions in the Bill.

It had been decided that the Government could not give priority to extending exemption from optical charges, especially as there was already help available for those in need who had a low income.

Mr Hamilton, speaking to his new clause, said it was not good enough for the Government to say that this matter was already provided for in another part of the Bill. There was every reason to believe the money would not be available so the powers in that section would not have any practical value.

The new clause was rejected by 272 votes to 231—Government majority, 41.

Housing Bill dominates next week

The main business in the House of Commons next week will be:

Monday and Tuesday: Progress on remaining stages of Housing Bill.

Wednesday: Social Security (No 2) Bill remaining stages.

Thursday: Completion of remaining stages of the Housing Bill. Social Security Bill, consideration of Lords amendments.

Friday: Spring adjournment debates.

The main business in the House of Lords will be:

Monday: Transport Bill, Committee (third day).

Tuesday: Employment Bill, second reading.

Wednesday: Debates on the multi-handicapped blind and on conservation in the Antartic.

Thursday: Edward Berry and Dorisf Ward (Marriage Enabling) Bill, second reading. Industry Bill, third reading.

Friday: Royal Assent.

Parliamentary notices

House of Commons

Today at 9.30: Debate on British Leyland 1980 corporate plan.

House of Lords

Today at 11: Transport Bill, committee (second day).

Call for levy on private nursing homes

Mr Roland Moyle, an Opposition spokesman on health and social security (Lewisham, East, Lab) moved a new clause (Nursing homes levy) which, he said, would protect the national health service from encroachment by the private sector.

The reason for the new clause was that the Government was abolishing the health services board which had existed, among other things, to give this protection. The Government was encouraging this encroachment as part of its policy.

The Opposition suggested that a nursing home with responsibility for 10 professionally qualified people in its employ should pay a levy, set at 4 per cent, to the Secretary of State who would use it to defray the costs of training in health authorities.

The private sector of medicine and health care ought not to poach trained people from the health service without making a full contribution to the cost of the training.

Dr Gerrard Vaughan, Minister of State for Health (Reading, South, C), said the Government was not opposed to the idea behind the clause of having a levy and had been discussing it with the private sector. There were problems but the Government had not a closed mind on it.

There was a strong argument that the private sector should play a part in training. It wanted to and the government had been in regular touch with it. A liaison committee represented certain parts of the private sector. So far discussions had had concentrated almost exclusively on nurse training, but there was no reason why they should not go wider than this.

The Government had been considering sponsorship of existing places in nurse training in schools and independent hospitals. Alternatively students from independent hospitals. Alternatively students from independent hospitals might be seconded or sponsored to attend existing NHS training schools. They had also considered the possibility of financial contributions which might go directly to support existing training facilities.

Possibilities in the various universities were being looked at. A number offered nursing degree courses and it had been put that sponsoring just one lecturer could lead to an increase of five or six nurses with degree courses per year in the annual intake.

The new clause was rejected by 281 votes to 234—Government majority, 47.

Free movement of lamb in EEC the aim

The most important element to any sheepmeat regime that came eventually was to have a common external policy and a scheme which resulted in the free movement of sheepmeat across frontiers in Europe, Mr Peter Walker, Minister of Agriculture, Fisheries and Food, said at question time.

He was answering Mr Roy Mason, Opposition spokesman on agriculture (Barnsley, Lab), who asked what sort of sheepmeat regime the minister anticipated coming in the end.

The minister (added Mr Mason) continues to object to a sheepmeat regime that includes intervention and increases in United Kingdom prices and we back him on that.

Earlier Mr Dale Campbell-Savours (Workington, Lab) said some organization was needed in the market, if not a sheepmeat regime.

Has the minister (he asked) any evidence that New Zealand lamb is being diverted from the Iranian market as a result of the crisis and from the French as a result of the blockade? What action can be taken?

Mr Walker—I do not have any such evidence. At present the New Zealand shipments to this country are in accordance with the projections we had previously received. The disruption of the Iranian market from New Zealand would cause difficulties for that country and could have implications elsewhere. The regime is part of the treaty. I do not think there is any necessity to have any scheme for heavy intervention operating.

Mr Paul Marland (West Gloucestershire, C)—Would the minister bear in mind the needs of the New Zealand economy which is heavily dependent onthe export of sheepmeat and other agricultural products?

Mr Walker—We are in close consultations with New Zealand on this. Tomorrow I shall be discussing this matter in detail with the Deputy Prime Minister of New Zealand.

Sale room

1761 Russian Imperial snuffbox fetches £125,654 in Geneva

By Huon Mallalieu

Christie's continued their series of sales in Geneva on Tuesday and Wednesday with objects of vertu and clocks and watches, producing totals of £690,666, or 2,652,160 Swiss francs, with 17 per cent bought in, and £328,432, or 1,261,180 Swiss francs with 28 per cent failing to find buyers.

In each sale there was one outstanding piece. A Russian Imperial presentation gold table snuffbox, decorated with views of St Petersburg and Tsarskoe Selo and given to Count Esterhazy by the Empress Elisabeth in 1761 made £125,654, or 480,000 Swiss francs.

A seventeenth-century German "mystery" clock, made about 1650 and signed Jo Miess, perhaps for Johan Jacob Miesslin of Zug, sold for £22,135, or 85,000 Swiss francs (estimate 50,000 to 60,000 francs).

In London yesterday Christie's offered Continental furniture, making £115,083, with 15 per cent bought in, and sculpture and nineteenth-century bronzes to a total of £95,600, of which 34 per cent was unsold. A Dutch walnut and marquetry bureau-cabinet with an arched and moulded cornice and two mirror glazed doors made £16,500 (estimate £15,000 to £20,000).

Phillips sold musical instruments, including violins known as the "Antoinette" Amati and the "Reynolds" Maggini, making a total of £119,026, with 6 per cent bought in. The Amati, made by Nicolaus Amati of Cremona in 1666, went to a dealer from New York at £27,000 (estimate £25,000 to £30,000), and the Maggini, by Giovanni Paolo Maggini, of Brescia, and dating from about 1612, was bought by a British dealer for £21,000.

At Sotheby's a sale of silver made £62,995, with 27 per cent bought in.

Sotheby's Belgravia offe[r] studio ceramics making £48,4[...] with just under 5 per cent fail[...] to sell. Harriman, a dealer fr[...] America, paid a record £6,000 [...] a large and elaborate Ma[...] Brothers grotesque bird (estim[...] £3,000 to £5,000).

In Retford Henry Spencer [...] Sons held a sale of coins, med[...] badges and stamps. A rare Br[...] bury Dardanelles £1 note o[...] stamped 100 piastres, as issued [...] officers during the Gallipoli c[...] paign, sold for £950 (estim[...] £300 to £400). It had been bou[...] from a bank for £1 in the 19[...] by the vendor, Mr Bradbury, [...] wanted a souvenir of his na[...] sake, the Secretary to [...] Treasury.

Cricket ephemera: The enorm[...] interest in books, pictu[...] ceramics and all kinds [...] ephemera associated with cric[...] was confirmed in a sale [...] Phillips yesterday (Marcus W[...] liams writes).

Realizations for most of [...] lots were well above estimate; [...] the top price was £7,800 for [...] main item in the sale, the [...] lection of Wisden *Cricket[...] Almanacks* owned by the late [...] Pelham Warner.

Bidding opened at £3,000 [...] brought fierce competition for [...] books, covering the years 1864 [...] 1963 and beautifully bound in [...] green morocco and gilt. [...] volumes up to 1904 were presen[...] to Sir Pelham as a wedd[...] present by the publishers. Furt[...] lots of Wisdens also sold wel[...]

Other items from Sir Pelha[...] collection were sold, with £[...] paid for two of his blazers [...] £180 for 12 caps, including [...] famous Harlequin, and five [...] An album containing 226 postca[...] of early - twentieth - cent[...] cricketers and teams made £[...] and a marble figure entitled "[...] Young Cricketers" made £750.

Law Report May 15 1980

Court of Appeal

Madam has her jail sentence reduced

Regina v Payne

Before Lord Justice Lawton, Mr Justice Michael Davies and Mr Justice Balcombe

A woman who pleaded guilty to keeping a disorderly house was correctly sentenced to a term of imprisonment, but the term was reduced from 18 months to six months because she should have been charged with keeping a brothel, under section 33 of the Sexual Offences Act, 1956, the maximum penalty for which was six months' imprisonment. The Court of Appeal said that it was greatly to be regretted that a police officer had stated in cross-examination that the 53 men found in the house when the police raided it included members of certain professions, since the statement was not supported by any evidence.

The appellant, Mrs Cynthia Payne, aged 48, of Ambleside Avenue, Streatham, pleaded guilty at Inner London Crown Court (Judge West-Russell), to a charge of keeping a disorderly house contrary to common law. The court did not disturb a fine of £1,950 imposed for three counts of exercising control over a prostitute, contrary to section 31 of the Sexual Offences Act.

Mr Geoffrey Robertson for Mrs Payne; Mr Anthony Wilcken for the Crown.

LORD JUSTICE LAWTON said that in late autumn, 1978, the police in Streatham received an anonymous letter calling their attention to a brothel in Ambleside Avenue. There had been no formal complaints from neighbours, but it did not follow that those living there did not know about it and were not outraged. They must have known, since there were no doubt cars parked outside the house and much coming and going of men and women.

In a period up to December 6, 1978, 249 men and some 50 women had visited the brothel, which made an average of 21 a day. It was therefore a common resort for men wanting prostitutes and women wanting to sell their services. It was a five-bedroom house with all the equipment of a brothel. There was even a room for group sex, and other titillating features such as the showing of pornographic films and demonstrations of sexual intercourse by a man and a woman before the audience.

It was outrageous, and must have given great offence to those living near by. It was for that reason that the law condemned brothelkeeping and had done so for centuries. It might be that the activities were discreet inasmuch as they were carried on inside the house, but the news had spread far and wide as prostitutes came from as far away as Wales, Dorset and Gloucestershire.

When the police raided the brothel on December 6, 1978, what was going on was sordid in the extreme. It was as bad a case of brothel-keeping as it was possible to conceive. Mrs Payne was charged in an indictment containing 21 counts. She pleaded guilty only to the charge of keeping a disorderly house and three counts of exercising control over a prostitute—the other 17 charges remained on the file. The essence of the prosecution case was keeping a disorderly house, and the charges of exercising control over a prostitute were really incidental.

Mrs Payne had been running the brothel for profit for many yea[rs]. She had four previous convicti[ons] for which she had been fined, [...] she was evidently not deterr[ed]. The prosecution had produced [a] letter written by her, which [...] served as additional evidence, fr[om] which it was clear that once [...] conviction was behind her [...] intended to set up again elsewhe[re]. After fines had been tried in s[...] circumstances, the law had [...] deprive her of her liberty. T[he] sole question was: was 18 mon[ths] too severe?

The offence of keeping a [dis]orderly house had been part of [...] common law for centuries. Par[lia]ment had intervened from time [to] time, the first occasion being [...] the reign of Henry III, when P[ar]liament was gravely offended [...] the scandal of a woman establi[sh]ing a brothel opposite a Carmel[ite] friary. Then there had been ot[her] enactments, and finally section [...] of the Sexual Offences Act, wh[ich] provided that it was an offence [...] manage a brothel. On a sec[ond] conviction the maximum sente[nce] was six months' imprisonment, [...] the offence was only triable su[m]marily. Ordinarily, therefore, [...] brothelkeeper was only liable [...] go to prison for six months.

In the present case the offe[nder] was charged not under section [...] but at common law, and there [...] no limit to the sentence that co[uld] be imposed. The court had to ke[ep] in mind that Parliament h[ad] formed its own idea of the ma[xi]mum sentence for the offence, [un]less there were features bringi[ng] it out of managing a brothel a[nd] making it one of keeping a d[is]orderly house. Mr Wilcken s[aid] there were aggravating circu[m]stances. That was true, but [it] could not be said that it was oth[er] than simply a bad case of broth[el]keeping. The sentence wou[ld] therefore be reduced to [...] months, and the appeal allow[ed] to that extent.

His Lordship wished to dr[aw] attention to a most unfortun[ate] aspect of the proceedings. Wh[en] the officer in charge of the ca[se] gave evidence of Mrs Payne's pr[e]vious convictions, he went on [to] say, in cross-examination, th[at] when the police raided the broth[el] the customers present were [a] cross-section of middle-aged a[nd] elderly men, respectable men. [If] he had stopped there all wou[ld] have been well. But he th[en] agreed, in answer to further que[s]tions by Mr Robertson, that the[re] were businessmen and accountar[nts] there, and also barristers, soli[ci]tors, an Irish member of Parli[a]ment, a member of the House [of] Lords and several vicars.

It now seemed that there w[as] not a shred of evidence for tho[se] answers. The court itself h[ad] checked the names in the poli[ce] list against the *Bar List*. Not o[ne] of those names was in the *B[ar] List*. Unfortunately facilities we[re] not available for checking t[he] other occupations; but the peer['s] name did not appear in *Who['s] Who*. It was now accepted th[at] there was no basis for the alleg[a]tions.

It was irresponsible eviden[ce] which had given rise to widesprea[d] and unnecessary publicity, and w[as] greatly to be regretted. The cou[rt] made no criticism of the pres[s] since on the evidence given [...] court the matter seemed likely [to] be one of interest to the public.

Solicitors: Offenbach & Co[.]; Solicitor, Metropolitan Police.

Court must consent

In re Clare

Where under the wardship jurisdiction there had been an interim order granting to a local authority care and control of a minor under section 7(2) of the Family Law Reform Act, 1969, which required the child to continue to live with the foster mother, the local authority had no power to alter the arrangements without reference to the court, Mr Justice Bush said in the Family Division.

HIS LORDSHIP, granting the care and control of the ward to the mother, said that the local authority had made the child a ward of court in May, 1978, and in June, 1978, the registrar had made the interim order which was a holding order intended to preserve the status quo until the substantive hearing. After the order had been made, the authority's social workers had gone on strik[e] and the child had not been visite[d] for 10 months. On resuming dutie[s] the social workers decided to mov[e] the child to long-term foste[r] parents with a view to adoption. It was the duty of the loca[l] authority in such circumstances t[o] bring the matter before a judge o[f] the Family Division before alter[ing] the arrangements for the child.

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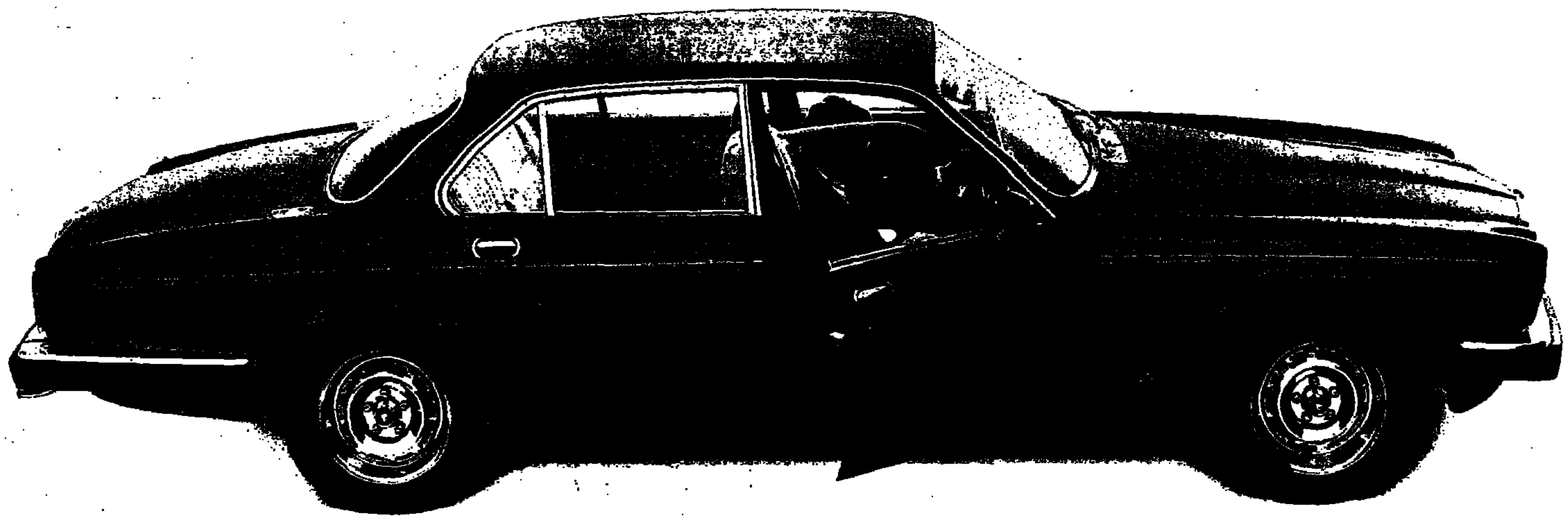

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*Motor Magazine Jan. 24, 1981.

JAGUAR XJ12

It's a good time to go for the best.

Twenty-five years ago the treaty that made Austria neutral and independent was signed in Vienna—today Austrians claim they are better off than the Allies who signed...

How Austria found its best European role

Vienna

This week the Austrians celebrated the 25th anniversary of the state treaty, signed by the foreign ministers of the four allied powers in Vienna on May 15, 1955. The official government celebrations take place today, since of the four present foreign ministers of the allied countries, Russia's Foreign Minister, Andrei Gromyko can only come today, because of the Warsaw Pact meeting in Warsaw.

This situation, and the Austrian flexibility in tackling it, is typical of the circumstances which led up to the treaty itself. while the three allies, Britain, the United States and France, had been promising Austria its independence, albeit under very strict terms, since before the end of the war, it was the long, drawn-out Russian negotiations which delayed the treaty's drafting, and caused Austria 10 uncomfortable years under allied occupation.

When Hitler marched into Austria in 1938 and the Anschluss was completed with a minimum of resistance, most Austrians did not think in terms of an occupation. It was only later, as their loss of identity became clear, that they began to think of themselves as occupied. The Austrians have a dual attitude to what happened in 1945. On the one hand they were liberated from the German yoke, on the other hand they were occupied again.

Since Austria did not exist as an independent country at the time Hitler declared war, it was not possible for other countries to sign a peace treaty with a new Austria. The compromise formula of state treaty was evolved by the immediate post-war president Karl Renner, who also, as early as 1947, put forward the proposal that Austria should become neutral.

Austria was divided into four sectors by the Allies. The Russian sector, comprising lower Austria, Burgenland, and part of upper Austria, contained the lion's share of Austrian industry, much of which had been involved and had profited from Hitler's war effort.

The Russians insisted that they should exercise their right to confiscate all former German property, an act which would have wrecked the basis for Austria's economic revival.

The Russians began systematically dismantling factories and removing all machinery and other items of value. To stop the complete ruin the Austrian government nationalized large sectors of important industry, a situation which still remains today.

Throughout the Cold War period the Austrians realized that their chances of negotiating an acceptable state treaty were negligible. The Russians maintained their hope that they might either woo an independent Austria into the communist camp along with Czechoslovakia and Hungary, or even annex the area over which they had control. Stalin's vision of an independent Austria, expressed as early as 1943, was strictly of a country allied to the Soviet block.

Austrian elections, however, made it plain that with only four seats in the whole of Parliament, the communists had no chance in Austria. The Russians then stalled the negotiations by demanding compensation from the Austrians in terms they could not pay.

Besides two-thirds of the current oil production, control over oil refineries with an annual capacity of 450,000 tons for 50 years, all oil distribution firms, two-thirds of the patents which had previously been in German hands, the blocked credits of the Danube Shipping Company in Hungary, Romania and Bulgaria, and 25 per cent of the company's capital in Austria, the Russians wanted \$200m in cash compensation. This price Austria could not pay, even if it had been willing.

By 1950, when the negotiations concerning compensation looked hopeful, the Russians introduced the Trieste conflict. There was a two-year stalemate. The West put forward a summary version of a state treaty. For the next two years there was a further stalemate because the Russians wanted it withdrawn. A foreign ministers' conference early in 1954 brought the first new sign of momentum. Austria was willing to meet demands that it would limit its military capacity, then the Russians insisted that the state treaty could not be signed before a peace treaty with Germany was complete.

On February 6, 1955 Russia's Foreign Minister, Mr Molotov, now known to the Austrians as "Mr Njet", suddenly announced that there was a possibility that the treaty be signed sooner. The Austrians took the hint and presented, on March 14, the Russians with a three-point declaration. The Russian reaction, 10 days later, was positive.

On March 29 a strong Austrian delegation flew to Moscow, not believing in their wildest dreams that they would return with an agreement. By May 12 the ambassadors of the four allied powers in Vienna had agreed on all points. On May 15 the treaty was signed, making Austria both independent and neutral.

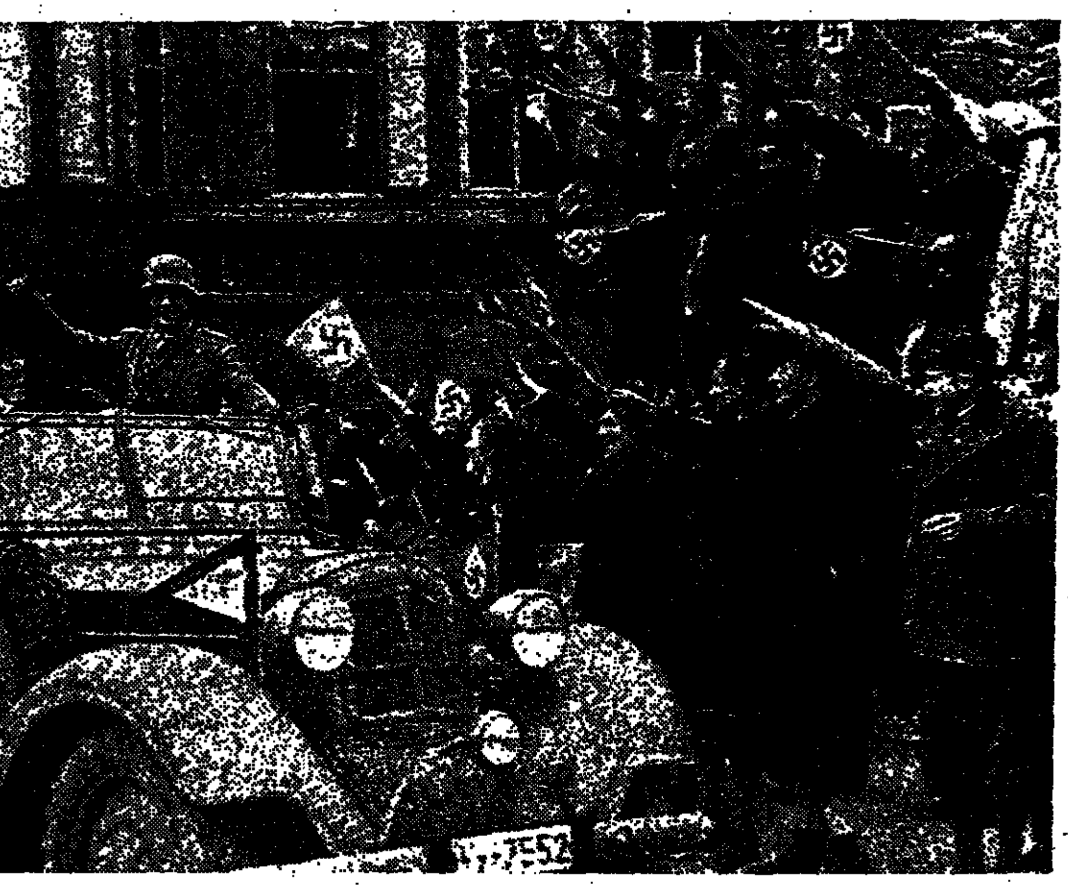
The Allies were all sceptical about the future of this newly constituted Austria. Today, 25 years later, the Austrians themselves are quick to point out with some relish that they are more stable both politically and economically than the four powers who signed that document.

The cloak of the state treaty does not rest entirely easily on Austria's shoulders. Last year President Rudolf Kirchschläger spoke for the first time of "Austria's enforced neutrality". Chancellor Bruno Kreisky, asked whether his active foreign policy rhymed with that neutrality, said that Austria's neutrality was "active rather than passive, as practised by some others". The Austrian armed forces are starting to complain bitterly about the restrictions the state treaty sets on their material. The minorities question, in particular that of the Slovenians, is far from settled.

In the past 25 years, however, Austria has created for itself a role as pivot between East and West. When the four foreign ministers of the allied powers meet there today it will be another confirmation of Austria's established position in the new world constellation.

Sue Masterman

> 'The Austrians have a dual attitude to what happened in 1945. On the one hand they were liberated ... on the other hand they were occupied again'



Before Austria found its identity: cheers and salutes from the Austrians as German troops move into Salzburg in 1938.

Trying times for a Shropshire lad

Mr Len Murray, the general secretary of the Trades Union Congress, is a thoroughly decent man who had probably suffered more in recent years than chairmen of strike-bound companies. His sad face suggests an infinite capacity for absorbing pain, and stress and overwork have led to two heart attacks.

Some of his predecessors were powerful personalities and could overcome the weakness of the post, which is vested with very little power, but Mr Murray is better educated than they were. A Shropshire lad and son of a farm worker, Mr Murray won a scholarship to the local grammar school and after war service read economics at New College, Oxford. He joined the economics department of the TUC in 1947, and moved steadily up the ladder until appointed general secretary in 1973.

This probably explains his philosophical approach to life. The British disease, he said recently over a bottle of wine in his office, was old age, old institutions, old industrial assets and old attitudes. You could say it was maturity, but there was only a thin line between maturity and senility.

The trade union movement was a reflection of British society, a mirror image of its qualities and defects. It reflected the uncertainty of our society. His dilemma was that he genuinely did not know if the British wanted a quiet life, as was generally assumed, or the good life they saw on their television screens. They ought to know that they could not have both.

Trade unionists, and Britons generally, were resistant to change because we were a conservative society. We had become more conservative as we became more insecure. We wanted to hang on to what we had got, but there had been some change. We were now a more mobile society, and millions of men and women had changed jobs in recent years. The older industries such as mining had been run down with union acquiescence.

The trade union movement had also changed, from Ernest Bevin to Jack Jones. It had to change because members were now better educated and more articulate. The more intelligent wanted a piece of the action; at least he hoped so because if you wanted change you first had to change people.

Power had shifted to the shop floor. The rank and file could not be expected to accept responsibility unless they were involved in making decisions. Some shop stewards did not like this because they were reluctant to share their authority, but it had to be done.

Mr Murray admitted ruefully that this internal shift of power, and his hope of instilling responsibility among the rank and file, was a long and painful process but insisted that there was not an acceptable alternative. Legislation and a legalistic apparatus would not work even if a government tried to impose it with guns. Perhaps we needed some legislation and an element of monetarism, but we had to stay within the broad central stream of trade unionism. Mrs Thatcher worried him because she could deliver the movement into the hands of extremists.

The paradox for the unions, he added, was that in the first instance they were about individuals and the right of a man to answer back to his boss. The movement must never forget that or otherwise we would become the monster some people said we already were. On the other hand, men such as Lord Denning did not understand the collective nature of our society. They did not see that the freedom of the individual could best be sustained by unions.

Mr Murray's sincerity and idealism cannot be doubted, but collectivism has led him and other trade union leaders to work towards a corporate state although he prefers the term tripartism. It is indeed the logic of the movement. The leaders believe that they are the representatives of the working class, the second nation with its own constitution (the rules TUC) and its own parliament (the annual conference). This is seen or felt to give them a legitimacy and authority which, despite obeisances to the other constitution and parliament, rivals the existing order.

Mrs Thatcher's refusal to accept the TUC as an estate of the realm was a factor in the TUC's decision to call for a day of action on Wednesday. Arguably it is a mistake to exclude the TUC from government deliberations. Open government, which many believe would make for better government, surely requires representation by bodies such as the trade unions, but it is certainly a mistake on the part of the TUC to want a corporate state grafted upon our parliamentary system.

The trade unions are well represented within the Labour party, and every trade unionist over the age of 18 has the vote. They cannot, and should not, have it both ways, and of course the TUC as presently constituted cannot act as an estate of the realm because it is not a monolithic organization.

The general secretary of a large union might aspire to help run the country, but not necessarily the union he claims to represent. As already noted, a great deal of power has been transferred to the shop floor. Despite the democratic organizaton of many unions, few general secretaries represent the membership as a member of Parliament represents the majority in his constituency. Some union elections can be a farce because so few members bother to vote, and unlike MPs general secretaries do not always have to seek reelection.

This is the real dilemma of the British trade union movement as Mr Murray must know. The TUC's efforts in the past to act responsibly in cooperating with the government of the day—that is trying to be an estate of the realm—has always weakened the leadership. Congress, in the words of one union leader, always lost out to militants on the shop floor.

It is a very real dilemma which only the leadership can resolve. One way is being pioneered by Mr Arthur Scargill, the Yorkshire mineworkers' president, who is determined that his union is properly represented in local constituency parties. Another, I would suggest, is for the TUC to seize the opportunity presented by the enquiry into the organization of the Labour party. After all, the unions were the founding fathers, and a corporate state can be forgotten if they succeed in rejuvenating the party.

Louis H

Geoffrey Smith

Taking an easy ride through the House

> It has been a distinct achievement on the part of the Government's business managers to pilot their legislative cargo as smoothly as they have

One of the curious features of the political scene at the moment is how little talk there is of the Government's legislative programme. There has certainly been a good deal of dispute about a number of particular measures, but little attention has been paid to the progress of the programme as a whole. Yet it is one of the heaviest since 1945-46 if one takes into account not only the number of Bills but the controversial nature of many of them.

The list is a formidable one with the Local Government Bill, the Housing Bill, the Education Act, the Employment Bill, the Social Security Bills and many others.

Nobody would suppose that this is a consensus administration pushing through consensus legislation. Yet there is this large and contentious load being pushed on at a comfortable pace towards the statute book, with apparently little ministerial anxiety about a summer logjam even though the recess might not start until well into the first week in August—which would certainly cause some anguish on the back benches.

It might be said that this progress is precisely what ought to be expected under a new government that took office with an overall majority of 43. But while such a majority guarantees the security of a government it does not ensure that its legislative programme should proceed without a hitch. An important factor has been the demoralization of the Opposition. Most Labour members have been more outraged by the iniquity of the other section of their own party than by the iniquity of the Government. So the legislative programme has received a remarkabley easy ride up to now.

None the less, it has been a distinct achievement on the part of the Government's business managers to pilot their cargo as smoothly as they have. This has been combined with a readiness to go at least some way to reform the procedures of the House, most particularly with the new select committees but in other ways as well.

For the moment there is no conflict between these two purposes. Indeed, the goodwill engendered by the procedural reforms has probably helped to secure a relatively untroubled passage for the legislative programme. But in the longer term there will be a conflict. If these reforms are to be more than cosmetic—and we still cannot be sure whether they will be—they will make it harder for the Government of the day to push its proposals through Parliament. Unless these reforms give backbenchers a greater influence upon decisions they will prove ultimately to be no more than an ingenious means of unravelling the furrowed brows of frustrated MPs.

There are some who will argue that it would be masochistic of any government to increase the power of backbenchers to block or amend its own programme. Others will say that this would not in any case improve the quality of government: that the voters, having chosen which party is to hold office, want that party to get on with the policies that it has offered to the country. Endless parliamentary manoeuvring and committee-room deals would neither win the respect of the public nor lead to better decisions.

This second objection is a substantial one. There are dangers when the executive becomes too weak and the legislature too strong: the failure to secure an effective energy policy in the United States provides a notable example, and by no means the only one. But there is a long way to go in Britain before we face a similar problem.

There is no reason to suppose that the quality of legislation would suffer if it had to undergo more searching examination in Parliament or that the quality of government would suffer if less legislation could be passed.

Indeed, if the Government is true to its own principles it should welcome procedural reforms that would slow down the passage of legislation. But will it be consistent? There has always been a certain schizophrenia in its attitude on this point, which was illustrated by Sir Geoffrey Howe in the days of opposition when he told the Conservative Political Centre Summer School in July 1977 that a Conservative Government must offer "the prospect of a period of stability. Less change for the sake of change. The next Conservative Government will make fewer laws and will make the laws fewer."

The danger is that if all goes well for the rest of this session, the Prime Minister may be a little too impressed with this year's achievement and may forget that one of the prospects offered by her Government was of a period of stability in which everyone could get on with their own affairs without forever having to worry about how the law was going to be changed.

That last sentence may well have seemed a nice rhetorical flourish to emphasize the point. But it emphasized two points that are not always compatible because it requires further legislation to reduce the number of laws. A flurry of legislative activity in the name of freedom may be very desirable, but the last thing it will bring in the immediate future is a period of stability.

In this first session of the present Parliament the Government has been putting the emphasis upon legislating for freedom. The Housing Bill offers council tenants the right to buy their homes; the Education Act gives parents more choice over the school their children will attend; the Competition Act is intended to provide for more free competition in industry; and so on. But just as it is possible for governments to do too much, so they may try to undo too much—or at least to do so too fast.

The way in which the legislative programme is being pushed through Parliament is a technical accomplishment that is good for the morale of the Government and the party at the beginning of a Parliament. It creates a valuable momentum. But it ought not to set a pattern for the future. The speed with which a legislative programme is processed is no measure of the quality of government.

MOSCOW DIARY

Some drivers are more equal than others

I sold my car a few days ago. It was a fairly painless procedure: the whole transaction took 17 minutes, and I was offered two-thirds of the purchase price on a car that had survived three Russian winters and done 20,000 miles. To me it seemed a bargain—but to the state, the only legally authorized buyer, it was an even better deal: my little yellow Lada station-wagon will probably be resold for 3,000 roubles (£2,100), giving the state over 100 per cent profit.

Of course there is a catch to this magic formula: I bought the car for western currency, and received roubles in return. If you want to buy a new Lada for ordinary Soviet money you have to pay 6,600 roubles—exactly three times the cost in hard currency—and wait for up to two years in the queue to buy.

But there will be no shortage of takers for my old Lada (known as a Zhiguli here, a name probably thought too unpronounceable or even suggestive for export). A car for a Soviet family is still the ultimate status symbol. Mass production of cars really only got going when Mr Khrushchev, a man who thought all cars smelly, wasteful and unnecessary, was succeeded by Mr Brezhnev, who in his more athletic days had a notorious penchant for fast driving and still has a stableful of most of the smartest western models. And in spite of the export success of the Lada, the product of the factory that Fiat built, only six million Russians—one in every 44 people—own their own cars. There are still twice as many motorcycles on the roads.

The idea of a car as a status symbol is institutionalized here. The Russians make six different kinds of car, and each serves a separate function. The small Zaparozhets from the Ukraine is the cheapest and phuts around town satisfactorily. It is also given to those lucky invalids who qualify for a free government car.

The Zhiguli in its various marques is the most popular family saloon and is bought by almost every foreigner in the country. Next comes the Moskvich, a heavier and stronger car which has rather fallen out of favour because it needs constant maintenance and is poorly built.

The Volga from the giant car work in Gorki, the Soviet Detroit, is the government car par excellence. Painted an unattractive greenish-cream, it serves as a taxi and seems to be able to stand up to Soviet roads. Soviet drivers and the Russian winter—a normally lethal combination for most western cars.

Painted black, the Volga rules the road as the official car of a thousand government departments, and is a real menace. Black Volgas observe their own highway code: they roar around at great speed, flashing at lesser breeds, overtaking with a daring commensurate with the status of their occupants, and obeying those traffic signs they do not find a hindrance. Most have curtains in the back window to shield the passenger from the gaze of the curious. Their drivers who can be found hanging around any government office, often use them to make a quick rouble or two as unofficial taxis, and for only about twice the normal fare you too can whizz home in style.

Above Volgas come Chaikas. These are all black. The old ones, modelled on American cars of the 1950s, were all wings and chrome, and arrogantly belched exhaust from twin pipes concealed in the back bumper. The new ones are sleeker and smoother. Chaikas—literally "seagulls"—convey senior dignitaries at breakneck speed, and very comfortable they are too, as I found when I rode around in one belonging to the Archbishop of Kiev.

Top of the pyramid comes the Zil. Hand-tooled, fast, bulletproof, it is available only to members of the Politburo. Zils travel down special reserved lanes in the centre of the road, and police clear the way in advance. Russians take little notice of ambulances and fire engines trying to fight through the traffic. When a Zil appears, everyone scatters.

Occasionally you see foreign cars with Soviet number plates—a sure sign that a diplomat, actor or Russian with relatives overseas has managed to acquire the ultimate in prestige. In Armenia, where many people have relations in the West, I once saw, incongruously, a gleaming yellow Morgan. A conductor for the Estonian Symphony Orchestra used to drive a Buick, and Bolshoi ballet stars can be recognized by their Volvos.

But for their lucky owners spare parts and service are even more difficult to get than usual. The black market in everyday items for the mass-produced Zhiguli, such as accelerator pedals, valves, knobs, anti-freeze, is enormous, and foreigners generally have to import spares.

Pravda complained that factories produce less than a quarter of the spare parts they are meant to. Garage equipment is scarce and the only plant in the country making hydraulic lifts and tools for body repairmen is housed in a building that was formerly a sweet factory in Kazan. As car ownership grows, the frustrations become more acute. No wonder Russians are master improvisers, and can be seen every weekend tinkering with their cars.

Winter poses its own special problems: many people cover their cars with tarpaulins until the snows melt. In summer you can be fined for driving a dirty car—but car washes are still a rarity. Even petrol stations are few and far between. You may find the only one for miles around is closed or out of petrol, or only takes coupons. (Super grade petrol is only sold for coupons, which have to be stamped in advance. One colleague recalls that one petrol station lady refused to accept his coupons because his office stamp was not the regulation circular shape, but was triangular. The right rubber stamp is an essential piece of equipment here.)

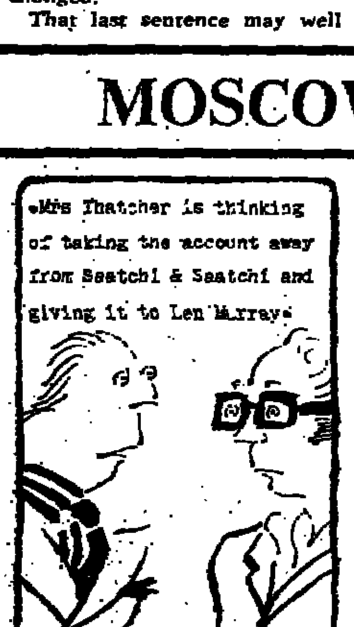
Russians treat their own cars lovingly, and public pressure is growing for clearer road signs, more maps, roadside cafes that sell more than just vodka, proper road markings. Night driving is still a hazard. In town you are not allowed to have your headlights on, whereas out of town lorries, which make up 80 per cent of all traffic, drive either on full beam or with no lights at all.

Luckily there are tough laws on drunken driving, though in Armenia and Georgia the excitable temperament and plentiful wine combine to produce a fearsome accident rate. A Moscow police chief recently suggested that all motorists should swear an oath to protect the rights of pedestrians before getting their licences to encourage better driving. But the police will quickly stop you and clip your licence (maximum allowed, three clips) if you break the rules and are not in a black Volga.

Driving is still such a novelty that most people cannot tell you how to get around by road, and will generally tell you which bus or metro to take. One nice thing about Moscow is that you can still park anywhere. But already the capital is choking up, and threatens to be a solid traffic jam during the Olympics, despite the ban on lorries, already in force.

The richer parts of the country—Georgia, Armenia, Estonia—boast noticeably more family saloons. Perhaps it was to Georgia that three Soviet sailors, caught in Italy last month making off from a breaker's yard with bags full of spare-parts, were hoping to go. It may be that clutches and sparking plugs will soon overtake jeans and make-up as the most salable commodity in the Soviet Union.

Michael Binyon



Mrs Thatcher is thinking of taking the account away from Saatchi & Saatchi and giving it to Len Murray

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THE TIMES
New Printing House Square, London, WC1X 8EZ. Telephone: 01-837 1234

ABUL'S SUSPECT OFFER

West is rightly demanding Soviet forces withdraw from nanistan. It has made this a ter of such high priority that putting at risk the whole ic of East-West relations in r to show that it is serious. ar there is no sign that the sians are even beginning to k about leaving Afghanistan, if the West wants its concern e credible it must keep on ng. This means that it must only make effective the alties on the Soviet Union but remain alert for signs that e penalties are having the red effect.

r Muskie's scepticism about proposals which have just e from Moscow via the pup regime in Kabul is justified his response could have been e considered. Obviously the posals are totally unaccept in their present form. Nor they new. They are similar hose made by Mr Brezhnev February and by Mr Karmal April 7. They seem intended narily to gain international gnition for the regime of Mr mal, to draw the Americans admitting interference in hanistan (thereby justifying Soviet invasion), and to en up the western alliance, m and the rest of the non ned world. They may have n timed to influence Mr skie, the West German mpic Committee and the ting of Islamic Foreign minis which starts in Islamabad on rday.

urthermore the proposals do even begin to address vital blems such as how to estab a viable government in ul and how to guarantee the frontiers of Afghanistan against another Soviet invasion. All they do, in effect, is convey the message that if neighbouring countries will shore up Mr Karmal, and if the West will take the responsibility for provoking the invasion, the Soviet Union will think about leaving. But there would, it seems, be no guarantee of actual departure, and since every shot fired by an Afghan insurgent could be used to argue that the West was still interfering, the Russians might succeed in legitimizing their invasion and their puppet government without taking a single soldier home. Game, set and match.

All this must be as obvious to Pakistan and Iran as it is to everyone else. But there remains an obligation to find out whether the gambit is meant merely to confuse and divide or whether it conceals a genuine opening. The conventional wisdom is that absolutely nothing will persuade the Soviet Union to withdraw from Afghanistan, and that the main purpose of western sanctions is therefore to deter further adventures. This way lies fatalism. It is true that the Russians appear to be settling in for a long stay, and it is true that diplomatic soundings have produced no signs of change, but somewhere there must be a point at which the costs of staying in Afghanistan become sufficiently high and the rewards for leaving become sufficiently attractive to tip the balance. Although this point is nowhere in sight, and might require unacceptable concessions by the West, the search for it must continue if western policies are to remain credible.

It is not beyond the bounds of possibility that the Russians are searching too. They face an almost indefinite guerrilla war in Afghanistan which will keep open a running sore in their relations with Islam, the western alliance and their own East European allies, who are profoundly unhappy about the whole enterprise. This is a heavy price to pay for a piece of territory. Obviously the first Soviet aim will be to try to lower the price without giving up the gains. Anyone would do the same in their place, and it is presumably this exercise on which they are now engaged. But if they meet a firm response, and if the costs continue to rise, they could switch as suddenly as they did over the Austrian State Treaty twenty-five years ago. This switch, distant though it may be, is more likely if western diplomacy is seen to combine firmness with flexibility and willingness to respond. Although there is a danger of being sucked into negotiations which lead nowhere but to a lessening of pressure on the Soviet Union, it should not be beyond the capacity of western governments to avoid it.

The alternative is merely to relish, and if possible increase, the difficulties which the Soviet Union has brought upon itself. This would be a short-sighted policy. It would do nothing for the suffering Afghans and would leave the Soviet Union with only the humiliation of defeat as an alternative to staying on. This would tend to delay a decision to get out and thereby also delay the restoration of better western relations with the Soviet Union. Good diplomacy builds bridges for opponents to retreat across. Western statesmen must try to increase pressure on the Russians but they should not neglect the bridges.

PANISH EDITORS AT RISK

recent conviction of Señor n Luís Cebrián, the editor-in ef of *El Pais*, and the an ncement that he will have to nd trial soon on another rge are the latest signs of it appears to be a campaign inst press freedom in Spain. ce the death of General nco in 1975 and the adoption a democratic system *El Pais* made a name for itself as the st independent of the leading nish papers; and so the cases ught against Señor Cebrián e had a special prominence. in recent years there have n many similar cases against ious papers and periodicals, en ending in convictions, and y are becoming more, rather n less, frequent. Señor Cabrián s convicted last week because a leading article in *El Pais*, ich he himself did not write, ich criticized certain judicial isions in cases against jour ists and compared them to situation in Nazi Germany. ier cases have concerned eged offences against morality, ough the publication of photo iphs of nudes, and articles ich have been taken as insult such established groups as armed forces, the police and judiciary.

The fact that these articles y have contained a good deal truth has not been a protection against judicial investigation. Señor Miguel Angel Aguilar, for instance, the editor of *Diario 16*, was prosecuted by the military authorities because his paper reported on its front page on plans for a military *coup d'état known as Galaxia*; the existence of the plot was officially denied. But the Prime Minister's office later announced that there had been such a plot, charges were brought against two officers and they were found guilty. A similar article appeared earlier this year in *Sabado Grafico*, referring to certain comings and goings in army barracks, and Señor German Alvarez, the director, is now being investigated to see whether there are grounds for a trial before a military court.

The handling of these cases is not a government responsibility, and Señor Suarez's Government has tried to dissociate itself from many of them. They are the product of the peculiar situation in post-Franco Spain in which, though there is a Constitution guaranteeing freedom of expression and a democratically elected government, there have been few changes in the judiciary, many of whose members still hanker after the old days. Their hand is strengthened by the fact that, in spite of what the Constitution says about the press, there is still no new press law to implement it and the old laws remain on the statute book. The armed forces, on their side, claim jurisdiction over alleged insults to the military as being military offences. What is unfortunate is that as the Government's grip on events has weakened in recent months opponents of Spain's new-found democratic ways, whether in the armed forces or in the judiciary, have felt emboldened to take steps against those parts of the press which displease them.

In a way, this situation is not surprising. What is more surprising is the relative ease with which Spain moved from dictatorship to democracy after the death of General Franco. But the threats to press freedom do have to be met, and it would be good to feel that the Suarez Government took a more serious view of them. It should, for instance, bring forward a new press law to spell out the general principles of the Constitution—and abandon the idea that only licensed journalists should be free to practise their profession. On the judicial side, there is now a new Constitutional Court in being, with the last word on anything concerning the Constitution. The Government and the press should now he able to look to it to assert the freedom of expression declared in the Constitution.

HE RELEASE OF MARY BELL

e release from prison of Mary ll is not wholly free from risk. cording to the medical evi nce, she is probably still a chopath, and there is there e the risk, albeit adjudged to extremely small, that she will tempted to kill again, or in t injury. The conclusion that should be released was not en lightly. Few criminals ve been so closely studied and ported on as has Miss Bell. is never totally safe to release mentally abnormal violent minal, but the authorities are isfied that in Miss Bell's case chances of her reverting to rder are small enough to war nt the chance being taken. ce neither treatment nor time be expected wholly to remove r risk, the alternative would to confine her for the rest her life. The right decision s made.

Miss Bell is now to live and rk again in the very city in ich she committed her crimes. at, in itself, presents formid le difficulties. The parents of e murdered children still live ere. The community is more ssionate about her than any her in the country. Miss Bell s offered, but rejected, the ssibility of a new identity— change of name, and a job in an area unconnected with her past. She should not be criticized for preferring to face the rest of her life with honesty rather than trying to disguise her background. Her real identity would almost certainly have been revealed sooner or later, with inevitably traumatic consequences. It is also undesirable that the presence of someone of Mary Bell's past behaviour should be hidden from those who might come into contact with her.

Miss Bell faces, at best, a difficult future. It will probably be impossible for her to lead anything resembling a normal life for some time. She has been institutionalized for her entire adolescence and part of her young womanhood. Even with the support of the probation service, she will need considerable courage and sense to have even a chance of adapting to her new circumstances.

She will also have to face varying reactions from the community around her. The emptions which her crimes aroused will not easily be pacified. She will have to suffer manifestations of hatred and revulsion. She will also be a constant subject of curiosity, and her behaviour will be of continuing interest to the community. A part of that interest will represent a perfectly legitimate desire to remain informed about her.

But there will also be an element of morbid curiosity in that interest. It is important that it should not be fed by sensational reporting in the media. Neither Miss Bell nor the community in which she lives would be well-served by being subjected to constant attention by newspapers. Cheque-book journalism, in this case, would be particularly inappropriate. Miss Bell herself should not benefit financially from telling her own story, and paying others for stories about her would only make her the subject of exploitation by the greedy and the unprincipled.

Our system of criminal justice allows people who have been guilty of even the most horrible crime to be sent back into society eventually. In Miss Bell's case, such re-introduction can be successful only if she is given a genuine opportunity to rebuild her life without harassment. Her presence outside prison is no doubt offensive to many people, but only an unhealthy society would refuse her at least the chance of re-integration.

iving with the law

om Mr James McClure

, I so appreciated the *amount of ace given* to my new book *Spike and: Portrait of a Police Division he Times*, April 12) it seemed urlish at the time to point out at Philippa Toomey's article had peared with half a vital sentence ssing. But as this is now proving have been a damaging omission, be grateful for an opportunity set the record straight.

The article said I had promised e police officers that I'd remove ything which might cause grave barrassment or disciplinary tion" from their transcripts. In ct I promised to remove such atter from those transcripts where e speaker could be identified, and at I'd use it elsewhere in the ok in a strictly anonymous con xt.

Indeed some of Spike Island's most revealing insights occur in the transcripts attributed simply to "a bobby", and this was how one officer felt able to admit a theft while another freely criticized racialism in his/her colleagues. So far from being a pledge to suppress compromising material, my promise was intended to have quite the opposite effect to that implied in *Living with the law on Spike Island*.

Yours sincerely,
JAMES McCLURE,
14 York Road,
Headington,
Oxford.

Future of N Ireland

From Mr Niall O'Reilly

Sir, I refer to Mr Baxter's letter *(May 12) in which* he argues that only two things will solve the problem of terrorism in Northern Ireland—namely "a constitution *showing a firm determination that* Northern Ireland will remain part of the United Kingdom, and a strong security policy".

It would appear that Mr Baxter fails to understand the reasons for violence in Northern Ireland. Terrorism is caused by political frustration and conflict. A political solution is required which will take into account the fact that two nationalities exist in Northern Ireland. Peace is impossible when one community tries to dominate the other. Any constitution which requires the support of the Army, prisons for political prisoners, the elimination of habeas corpus, etc, must be considered dubious.

Yours faithfully,
NIALL B. O'REILLY,
97 Mysore Road, SW11.
May 12.

LETTERS TO THE EDITOR

Quick response to reactor perils

From Mr Frank Hooley, MP for Heeley (Labour)

Sir, I am astonished to learn, as a result of a reply to a Parliamentary Question, addressed to the Prime Minister, that the responsibility for emergency arrangements, arising from any serious accident or malfunction at a nuclear power station, is shared between *no* fewer than eight different Ministers!

It seems to me that, if there was a recipe for confusion and uncertainty in the event of a Three Mile Island incident within the United Kingdom, then we have it tailor-made.

The problem is by no means academic. There was recently a very serious incident at the French processing plant at Cap la Hogue, which could easily have affected the population of the Channel Islands, and about which the United Kingdom *authorities were given virtually no* information until a British newspaper disclosed what had happened at the plant.

However, even if there had been prompt notification by the French authorities that radioactive dust was heading across the Channel towards the United Kingdom, the action at this end would have consisted of solemn consultation between the Secretary of State for the Environment and the Minister of Agriculture, followed by "advice" to the local authorities.

It seems to me that in these days, when nuclear mishaps appear to occur about every three or four months or so, that *one* Minister, not seven different government departments, should have direct and immediate responsibility for warning the public and controlling any necessary evacuation of population in the vicinity of the establishment where the incident occurred.

Yours faithfully,
FRANK HOOLEY,
House of Commons.
May 14.

Attack on MIND official

From Dr R. D. Thompson

Sir, I must admit to being somewhat puzzled by the extraordinary attack made upon Mr Tony Smythe, Director of MIND, by Mr William van Straubenzee MP in the House of Commons on May 14 (Parliamentary Report, May 15). The personal nature of this attack is bewildering to say the least. Whilst, on the one hand, complimenting MIND as a "magnificent organization with a *splendid concept*", *Mr van Straubenzee* claims that the good work of the organization is being subverted by "professional agitators" whose *plurality appears to be identified* solely with the person of the Director, Tony Smythe.

Tony Smythe's period as Secretary of the National Council of Civil Liberties appears to have been likened to a training course in political subversion. Whether Mr van Straubenzee concludes from his earlier contacts with the NCCL that this organization had certain political leanings not in accordance with his own, seems to me to be totally irrelevant in his assessment of Mr Smythe's work at MIND over the past seven years.

Furthermore, when Mr van Straubenzee speaks of a technique of accusation being used by MIND in the process of investigating misconduct in establishments for the mentally disordered, is he seeking to redress the balance by making accusations about Mr Smythe's supposed political sympathies by indulging in what can only be described as a smear campaign aimed at embarrassing MIND and the Department of Health and Social Security, who provide grant aid to the organization?

Mr van Straubenzee has made it clear that, if people play roughly with his constituents, they are in for trouble and that MPs are there to protect their constituents' rights. Mr Smythe's "constituents" represent a section of the community *who are unable to protect their rights* without the assistance of organizations like MIND.

Perhaps Mr van Straubenzee *would now care to make his accusations* publicly, as David Ennals has intimated, rather than hiding behind the cloak of parliamentary *privilege?*

Yours faithfully,
RICHARD THOMPSON,
6 Albany Terrace, NW1.

Oldest consulate

From Mr W. W. McVittie

Sir, You published on May 5 an article by Richard Bassett on Trieste in which he states that the British Consulate there is the oldest in Europe. I give below the earliest dates, taken from the Foreign Office *List of 1941, when British Consuls* were commissioned by the Crown in Europe:

Madeira, 1658; Salonica, 1715; Genoa, 1726; Trieste, *1744*; Oporto, 1753.

Outside Europe: Basra, 1728; Philadelphia, 1785; Smyrna (Izmir), 1793.

In the reign of Henry VII English merchants appointed an Italian as *their Consul in Chios, then occupied* by the Venetian Republic. In 1581 Queen Elizabeth founded the Levant Company granting it the right to appoint consuls at its "factories" in the Ottoman Empire. In my birthplace, Smyrna, Mr Consul Ray *(1677 to 1703)* presented 2,000 ancient coins and medals to the Bodleian at Oxford.

I am Sir, your obedient servant.
W. W. McVITTIE,
The White House,
Itchenor, Sussex.

British Steel's chairman

From Mr C. T. McVey

Sir, Now that Sir Keith Joseph has admitted that efficient production at British Steel must be paid for, will he extend this principle to consideration of future pay claims by the workforce?

Or will the next step be to import American steelworkers at the "going rate"?

Yours faithfully,
C. T. McVEY,
42b Albert Park Place,
Montpelier,
Bristol.

Retaining Britain's nuclear capability

From Lord Greenhill of Harrow

Sir, It is perhaps not surprising that I should agree with Lord Caccia's letter of today (May 15). Some of our official experience is not dissimilar.

Future developments are indeed unpredictable and may be dramatically different from anything anticipated. The present argument is being conducted in the context of Nato and the Soviet Union. What Lord Caccia implied should perhaps be more explicitly said.

The non-proliferation of nuclear weapons is by no means assured. Far from it. It is not difficult to envisage such weapons in the hands of irrational authoritarian regimes whose ideology, anger and ignorance might permit their threatened or actual use. Read Professor Mazrui's recent Reith lectures. Surely a reasonable insurance is necessary for this country.

Yours ever,
GREENHILL OF HARROW,
House of Lords, SW1.

From Field Marshal Lord Carver

Sir, My former colleagues, Marshal of the Royal Air Force Sir Neil Cameron and Admiral of the Fleet Lord Hill-Norton, have taken me to task in your columns (May 9 and 13) for the views I have expressed about the replacement of our existing submarine-based ballistic missile nuclear weapon delivery system by another, designed to act as both an independent and a strategic deterrent force.

Neither of them have made clear what it is they expect it to deter. Sir Neil's argument is close to that used in this year's Defence White Paper. The reasoning is that, although we had full confidence that *(pace* Lord Hill-Norton) the United States would use nuclear weapons of some kind if Russia attacked *Western Europe, the Russians might* think they would not. If we did not possess our own independent force, capable of hitting Moscow when nobody *else was using nuclear* weapons—or perhaps any weapons at all—against them, the Soviet Union would be prepared to take the risk that, in spite of the deployment of vast numbers of United States nuclear weapons in Europe, she could with impunity launch her forces, conventional or even perhaps nuclear, against Nato. But, although the United States might hang back for fear of retaliation, Britain, as long as she possesses such a system, would not. This, in spite of the fact that Russia could obliterate this *country with nuclear weapons* without affecting her capability for nuclear attack against the United States.

I find that a fantastically unrealistic scenario, as I believe the Russians would also. It is the fear that any form of military adventure against Western Europe could *spark* off a nuclear retaliation by the United States at any level, and that it could not long be contained at a low level, which deters the Soviet Union from embarking on such a venture.

Lord Hill-Norton's argument *appears to be different*. It is that such a force protect our own vital interests against threats, blackmail or actual force, either against us alone or, in the *last case*, against our European allies as well. The last case is covered by Sir Neil's argument. I find it difficult to imagine what are the vital interests which are peculiar to this country, not shared by the United States and our European allies, which are threatened or likely to be by the Russians, and action against which she could realistically fear would lead us to contemplate committing national suicide.

The arguments put forward by these distinguished ex-Chiefs of the Defence Staff are only a few of those which have been used over the *years to justify the continuance of* our capability to design and produce our own nuclear weapons. For that is the real point at issue. It is because, as both these officers have pointed out, there seems to be little justification for it, unless we insist on the necessity for independence; and, as Sir Neil points out, that there is no point in having an *independent* force which has not got a *strategic* capability, that successive governments have continued to accept the policy, although Labour administrations have always played down both the independent *and* the strategic attributes.

I can conceive of no circumstances in which it would be right, responsible or realistic for the Prime Minister of the United Kingdom to authorize the use of British nuclear weapons, when the President of the United States was not prepared to authorize the use of *any* US nuclear weapons; nor do I belive that the Russians would believe it to be a realistic assumption that he or she would.

Why do I not therefore follow the logic of my ex-colleagues and advocate what Lord Hill-Norton describes as "unilateral nuclear disarmament"? For the very reasons that have influenced successive British government's whatever their political colour. Because of the profound *political* impact it would have—in this country, among our allies, on our potential enemies and in the world at large. Certainly as long as France retains a similar *capability*, it would *symbolize* a renunciation of power and influence, a desire to step out of the front line, to shoulder less responsibility *for the burden of dealing with the* world's problems.

I see no military need for us to have our own nuclear weapons: the Navy and the Air Force could, as the Army does and as they do already in some cases, man delivery systems with American warheads, of which the US holds the key. But I recognize the profound political impact of a positive decision to opt out. I believe therefore that we should continue with our own, regarding them, as our allies in fact do, and as the RAF-manned systems *now are, as theatre weapons systems*. If the time comes, as I hope it will, when real progress is made in not merely limiting strategic nuclear weapons systems, *but in reducing* them and all other nuclear systems (certainly not abolishing them), our willingness to renounce our capability to produce our own could possibly contribute to progress in that field. Today it would not. Contributing to a modernized Nato theatre nuclear capability should not involve absorbing so large a proportion of the defence equipment budget, in years when all three services face vital re-equipment programmes, as would the construction of five new submarines to take Trident *missiles* with, presumably, new warheads.

The argument Lord Caccia puts forward in his letter (May 15) seems *to me to be beside the mark. I cannot* see how the possession by us of an independent nuclear force could have affected any of the *events he mentioned; the strength* of our conventional forces would surely have been more relevant.

Yours faithfully,
CARVER,
House of Lords, SW1.

A gift for democracy

From the General Secretary of the Transport and General Workers' Union

Sir, Bernard Levin gets it wrong again (May 6), so perhaps I'd better explain how the decision to give £5,000 to the *Morning Star* on its fiftieth anniversary was bang in line with democracy in the *Transport and General Workers' Union*, resulting from one of the most authoritative democratic councils in the country (our own biennial delegate conference) and the democratically elected Finance and General Purposes Committee of the TGWU on which, incidentally, only elected lay members have any vote, and properly so.

No, Bernard, it wasn't a sudden, secretive lashing out to the left, as you seem to have seen it. It was generous in spirit, in line with the existing policies of support for labour movement newspapers (and they do need support, given the advertising stranglehold which big business has over the regular press), and a key point, which you may have wished, it was fraternal and generous in spirit. Surely these are not such bad instincts to have in this tight, backs-to-the-wall national mood engendered by the Tory Government.

And that key point in Bernard's *argument that we should have run* a referendum (setting aside the democratically decided rule book of the union, of course) is utterly silly: the postage and administration would have cost as much as the original donation!

But, as usual, Bernard builds a mountain—a shaky one—out of a molehill and really wants to convince *Times* readers that TGWU leaders are "stupid", along with the underlying assumption that we lack imagination and breadth of judgment.

Can I put the record straight on that one?

In the recent past, the union has made a number of imaginative decisions, much bigger in importance than the £5,000 for the *Morning Star*. We have responded to the liquidity problems of the Labour Party by bringing forward our annual subs by three months, and upping our affiliation level to something like a total of £400,000 per annum.

We have also been initiators of *financial measures to provide the* Labour Party with new headquarters to the tune of about £200,000. We have invested in a superb holiday and education centre at Eastbourne for our members involving an initial outlay above £2m. We have responded to the problems of members *(in coming to democratic committees)* finding reasonably priced accommodation in London hotels by buying a hotel at £600,000 in Lancaster Gate.

And, incidentally, we run a newspaper, albeit only once a month, which has a circulation direct to members at their place of work running over 400,000 and mounting monthly. That's a better readership than the quality paper for which Bernard writes!

So, at the end of the day, is it fair or reasonable or intelligent of Bernard Levin to rant and rave so much about the TGWU and democracy and alleged "stupidity" and lack of imagination in (democratic) *leadership?*

I think it is plainly not so. May I add that I am not especially worried about Bernard Levin devilling away at molehills, since I am quite confident that, in a patient and imaginative way, the TGWU is building mountains and, that, I think, is what is important for the TGWU's membership, which despite unemployment and redundancies, is still well over the two million mark.

Yours faithfully,
MOSS EVANS, General Secretary,
Transport and General Workers' Union,
Transport House,
Smith Square, SW1.

The Free French return

From the Honorary Treasurer of the Franco-British Society

Sir, Today, when our relationships with France are to, say the least, "pretty sticky", it appears that it is not common knowledge that we are welcoming to London well over 1,000 Frenchmen. These distinguished men have come to celebrate (albeit a few weeks too early) the fortieth anniversary of those dramatic events in June, 1940, when General de Gaulle came to London and planted the flag of "*La France Libre*".

I was at school at the time, but my far-sighted housemaster explained to us the great significance of the General's action. He used to conclude his many talks on this subject with the same remark: it was to the effect that, despite historic rivalries, Britain and France had to stick together through good and bad times, otherwise there could be no future for Europe.

The presence among us today of these distinguished Frenchmen (including two ex-Prime Ministers) is, I believe, a living testimonial to the truth of my late housemaster's vision.

I am proud that we have been able to welcome them to London and thank them for having made the journey.

Yours faithfully,
JAMES HADLEY,
2 Clarendon Close, W2.

Implications of the TUC day of action

From Sir Peter Garran

Sir, Now that the day of action has happened—or not happened—politicians and others will be thinking about its implications. If the general reaction is merely to exult over the failure of an ill-conceived initiative, then a great opportunity will have been lost.

Mr Len Murray, on this morning's (May 14) *Today* programme, said something to the effect that he hoped the long term result would be that the Government would be induced to enter into a dialogue with the trade union leadership about the future of industrial relations. But with the present trade union leadership that is out of the question. Quite apart from *their other shortcomings the Trades* Union Congress have shown themselves to be largely out of touch with the thoughts, feelings and *wishes of their membership. If*, as a result of this non-event, things could happen that would bring about the emergence of a trade *union leadership really representative* of, and in touch with, the rank and file, then surely the Government would want to have close and *constructive contacts* with that leadership. There has been too much confrontation in industrial relations in recent years, and for that no one is free from blame but the TUC bears a heavy responsibility.

I well remember how in Germany, after the war, once currency reform had been carried through, all sides of industry, management, workers and trade union leaders realized that the recovery of Germany depended on cooperation, not confrontation. The result was the *Wirtschaftswunder*, the economic miracle, which is the basis of Germany's prosperity today. We could have our own economic miracle if we could only learn the lesson and draw the right conclusions.

Yours sincerely,
PETER GARRAN,
Roanoke,
Bosham Hoe,
Sussex.
May 14.

Israel and Unesco

From Mr Arthur Rubenstein

Sir, Please allow me to strongly object to Yehudi Menuhin's complaint (letter, May 9) that my criticism of his behaviour as President of the Music Department of Unesco was calumny.

I, for one, feel deeply offended by the injustice of the world towards Israel. After having tolerated the holocaust, instead of feeling any *remorse, it resented* the fact that the survivors tried to recover the land which was theirs since thousands of years. It took three cruel wars to *allow them to settle in their* old country with its beloved capital, Jerusalem, where Unesco interfered with their excavations, which they had a perfect right to carry out and which were very important for humanity; not unlike the discovery of Tutankhamun's tomb.

The so-called "occupied" territory makes me laugh. It is the oldest biblical Jewish homeland where Abraham, Isaac and Jacob are buried and it was simply reconquered. It would take a page to describe occupied territories in many well known countries.

I do not deny anybody the right to have different opinions, but I was deeply hurt and disappointed that my colleague with the beautiful biblical name, Yehudi Menuhin, who was honoured to be President of the Music Council of Unesco and whose *voting or not voting with them* is irrelevant, not only showed no sign of disapproval but publicly maintains that Jerusalem should not be *the exclusive capital of Israel*.

He and I had it out in letters to *The New York Times* and *Le Monde* of Paris, where he made his posi*tion abundantly clear. The word* calumny is a term which I cannot allow him to use. All I can say is that he is a fine musician, a great worker, an original stylist of the English language, but in my opinion a bad Jew.

Yours faithfully,
ARTHUR RUBENSTEIN,
22 Square de l'Avenue Foch,
Paris 75116,
France.
May 12.

Canute was right

From Lord Killearn

Sir, I am surprised to see that Mr Denis Healey has joined the ranks of those who misread history—as shown by his recent gleeful comparison of Mrs Thatcher with King Knut (or Canute).

It was not Canute who said that the laws of nature would not apply: but rather the various woolly-*thinkers*, courtiers, savants, sycophants, et al, who seemingly were as numerous then as now in the "councils of state".

What Canute said and proved, was that no government, however wise or strong, can alter the forces of nature. One could say that Mrs Thatcher is having her feet wetted at the moment; but perhaps she is proving something that Mr Healey *cannot comprehend*.

Yours faithfully,
KILLEARN,
6 Trevor Street, SW7.
May 11.

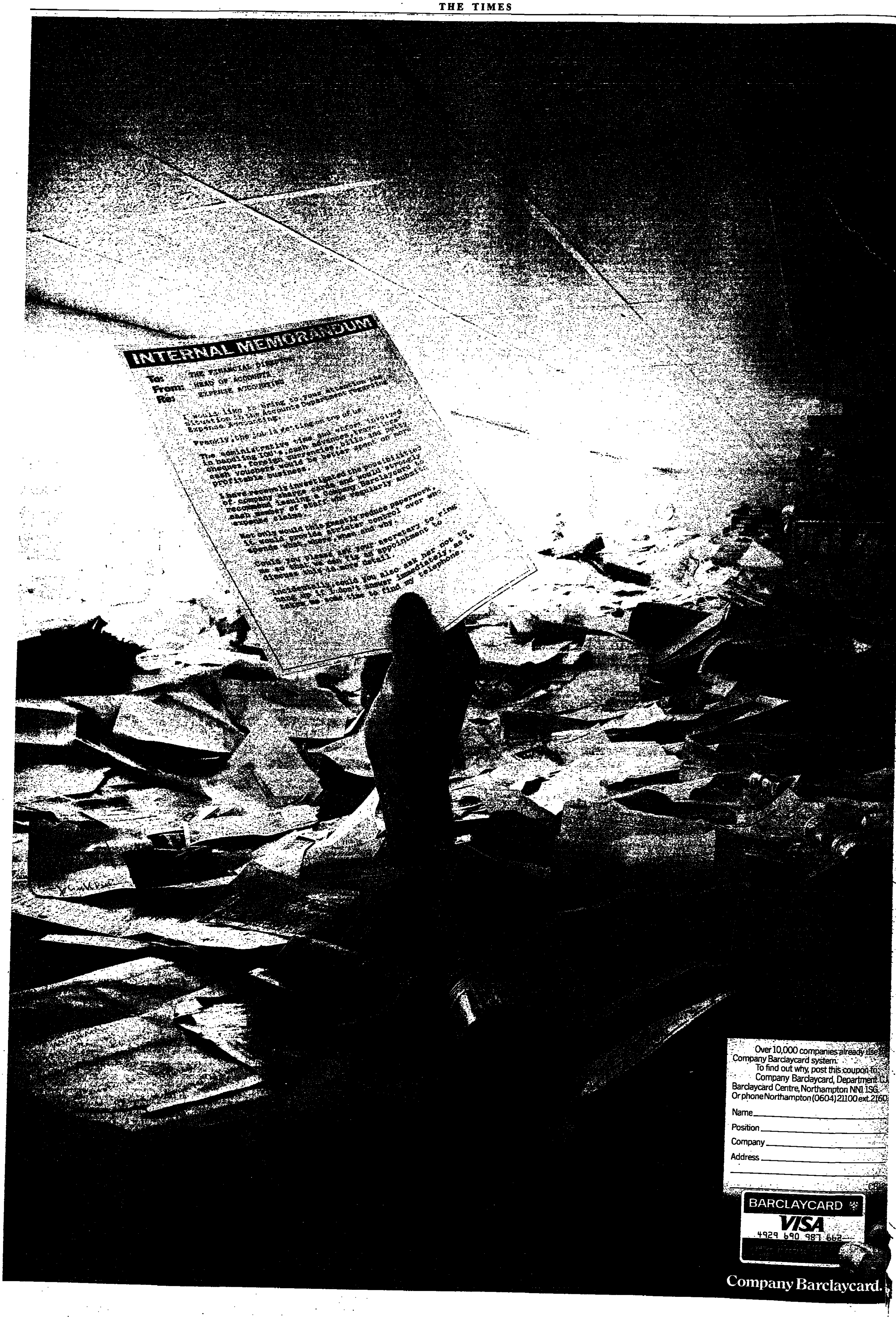
Confused oracle

From Mr C. E. Vafopoulou-Richardson

Sir, Judging by Mr Levin's article on the Parthenon (May 13), it would appear that the change of government in Athens has had theological repercussions! If Apollo is now firmly established on the Acropolis, has Athena migrated to Delphi?

Next time Mr Levin goes to Greece perhaps he should remember to take not *only* his hat but also his glasses, so that he can see which Greek temple belongs to which deity. Incidently, since when has Apollo had access to that ultimate deterrent, the thunderbolt of Zeus?

Yours sincerely,
C. E. VAFOPOULOU-RICHARDSON
Jesus College,
Oxford.
May 13.



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COURT CIRCULAR

[...]NGHAM PALACE
[...]th: The Queen and The [...] of Edinburgh visited [...]mead today.
[...]g been received upon [...] by the Chairman of the [...] London Council (Mr [...] Brook-Partridge), Her [...] and His Royal Highness [...] Lansbury Court and after[...] drove to Hawksmoor [...] (Headmistress, Mrs G. [...] and were received by the [...]an of the Inner London [...]on Authority (Mr David [...]y).
[...] touring the school, The [...] and The Duke of Edin[...] visited St Paul's Ecum[...] Centre and were received [...] Rector of Thamesmead [...]everend Keith Pound).
[...] Majesty and His Royal [...]ss then drove to the Lake[...]omplex and, having been [...]d by the Leader of the [...] London Council (Sir [...] Cutler), The Queen [...] the complex and unveiled [...]memorative plaque.
[...] Majesty, with His Royal [...]ss, later honoured the [...]an of the Greater London [...] with her presence at [...]on.
[...]e afternoon The Queen and [...]uke of Edinburgh visited [...]ood Green and then drove [...] Lakeside Health Centre. [...] been received by the [...]an of Greenwich and [...] Area Health Authority [...]Neville Thompson), Her [...]y and His Royal Highness [...] the Centre.
[...] Countess of Airlie, the [...]Hon. Sir Philip Moore and [...]nant-Commander Robert [...]RN were in attendance.
[...] Prince of Wales, Duke of [...]all, having travelled in an [...] of The Queen's Flight, [...] Newton Park Estate, near [...] today.
[...]ommand of The Queen, the [...]Cullen of Ashbourne (Lord [...]aiting) was present at [...]ow Airport, London this [...]g upon the departure of [...]resident of the Republic of [...] and Madame Bongo and [...]rewell to Their Excellencies [...]alf of Her Majesty.

[...]ENCE HOUSE
[...]5: Queen Elizabeth The [...] Mother was present this [...]oon at a Reception given [...]mbers of the Association des Français Libres at Lancaster House.
Mrs Patrick Campbell-Preston and Major Sir Ralph Anstruther, Bt, were in attendance.

KENSINGTON PALACE
May 15: The Princess Margaret, Countess of Snowdon this afternoon visited the Stained Glass Museum at Ely Cathedral.
Her Royal Highness, who travelled in an aircraft of The Queen's Flight, was attended by The Lady Anne Tennant and Major The Lord Napier and Ettrick.

KENSINGTON PALACE
May 15: Princess Alice Duchess of Gloucester, President East Midlands Region, today visited the Women's Royal Voluntary Service in Lincolnshire.
Miss Jane Egerton-Warburton was in attendance.

YORK HOUSE
ST JAMES'S PALACE
May 15: The Duchess of Kent this evening attended the Annual Dinner of The Royal Army Chaplain's Department which was held at the Army and Navy Club, Pall Mall.
Mrs Peter Wilmot-Sitwell was in attendance.

THATCHED HOUSE LODGE
May 15: Princess Alexandra this evening attended a Dinner at the Banqueting House, Whitehall and presented the Krug Awards of Excellence.
Miss Mona Mitchell was in attendance.

Princess Alice Duchess of Gloucester will attend the service of the Order of the British Empire at St Paul's Cathedral on May 13.

Princess Alice Duchess of Gloucester as President of Women's Royal Voluntary Service, will visit Lincolnshire on May 15.

Princess Alice Duchess of Gloucester will visit the Chelsea Flower Show on May 19.

The Duke of Gloucester, patron, the Victorian Society, will attend a seminar on Prince Albert and the Victorian Age at Bayreuth University, Coburg, between May 22 and 24.

The Duchess of Gloucester, patron, Counsel and Care for the Elderly, will attend the annual meeting at Carpenters' Hall, London, on May 28.

Prince Michael of Kent will attend the Society of Genealogists annual general meeting at the Royal Society of Arts on June 12.

Princess Michael of Kent will attend the Children and Youth Aliyah Aid Society annual luncheon and fashion show at the Savoy Hotel on June 24.

Mr Richard Ingrams will open the Antiquarian Book Fair at the Europa Hotel, Grosvenor Square, London, on June 10 at 11 am.

Mr Henry Seymour regrets he was unable to attend the funeral service for Sir Victor Seely because of illness.

[...]days today

[...]sor Norman Davis, 67; Mr [...]t Jones, 63; Sir John Pil[...]58; the Earl of Portsmouth, [...]e Right Rev K. J. F. Skel[...]2; Sir Charles Wilson, 71; [...]chard Yeabsley, 82.

[...]ay's engagements

[...]ss Margaret attends festival [...]dedication, St Mary's Com[...]ity Centre, Ash Vale, near [...]rshot, 7.
[...]ss Alexandra attends gala [...]rmance of film, My [...]iant Career, Regent Cinema, [...]rith, Cumbria, 6.50.
[...]tions: Railways in Victorian [...]s, The Drum, Gilmerton, [...]burgh, 2-4; Sun and sea: [...]ings by Lesley Pockley, [...]as House, 49 Old Bond [...]et, 10-6; Recent jewelry, [...]sh Crafts Centre, 43 Earl[...] Street, 10-5.30; The Vik[...] British Museum, 10-5; [...]or landscaping: Building [...]re, 26 Store Street, 9.30-[...];
[...]es: Beata Beatrix by [...]etti, Gill Cohen, Tate Gal[...] 1; London defences in the [...]teenth century, Victor [...]th, Museum of London, [...]bican, 1-10; Floods of the [...]dle Ages, by Judy Rudoe, [...]0; Pompeii's rich neigh[...]rs, Anne Pearson, 1.15, [...]sh Museum.
[...] festival, St Margaret's, [...]tminster, 10-8.
[...]rt: Leicestershire Schools [...]phony Orchestra, Christ[...]rch, Spitalfields, 7.30.
[...]time music: organ, Robert [...]son, St Paul's Cathedral, [...]0; Graduate Course Choir [...] Symphony Orchestra, Guild[...] School of Music and Drama,

Latest wills

Mrs Penelope Louise Deadman, of Didcot, Oxfordshire, left £50,384 net. She left two fifths of her property to the Radcliffe Infirmary, Oxford, and a fifth each to St Mary's Hospital, Eastbourne, Stoke Mandeville Hospital, Aylesbury, and the Didcot and District Hospital.
Hilda Anna Mary Liddell, of Bledlow Ridge, Buckinghamshire, left £104,267 net. She left half the sale proceeds of her home to the Guide Dogs for the Blind Association.
Mr Hugh Desmond Stevenson, of Burton, Wirral, left £327,727 net. He left £15,000 to the Mill Wood Charitable Trust.
Other estates include (net, before tax paid; tax not disclosed):
Abbott, Mr Harold Kenneth, of Eastbourne £179,287
James, Mr Sylvanus, of Cilgerran, Dyfed, farmer £125,126
Lawler, Mr Xavier Frederick Norman, of Otley, Yorkshire. £145,810
Whitehead, Mr Anthony, of Caton, near Lancaster, builder £214,668
Wright, Mr Norman Horace, of Castor, near Peterborough, chartered surveyor £350,612

Girls' Public Day School Trust

The Governors of Shrewsbury High School for Girls, Miss M. Crane, headmistress, staff and girls welcomed Professor Alan Gemmell yesterday when he opened the new science laboratories at the school. On behalf of the council of the GPDST, Mr Richard Steele accepted the building from the chairman of governors, Mr G. R. Fletcher.

[...]eral service

[...]ictor Seely
[...]uneral service for Sir Victor [...] took place in the Grosvenor [...]l, South Audley Street, yes[...]y. The Rev A. Marks offi[...], Major Victor Seely (son) [...]the lesson and Major-General [...]llan Adair gave an address. [...]g those present were:
[...]eely (widow), Mr and Mrs Nigel [...] (son and daughter-in-law), Mrs [...] Seely (daughter-in-law), Mrs [...]a Bray (daughter), Mr and Mrs [...] Seymour (son-in-law and [...]er), Miss Ivy Seely (sister), Mr [...]s Bray, Miss Mariana Bray, Miss [...] Bray, Miss Charlotte Seely, [...]Henrietta Seely (grandchildren), [...]d Mrs Hilton Seely, Viscount and [...]ntess Allendale, the Hon Richard [...] Mrs Beaumont, the Hon Mrs [...]as Beaumont, the Hon Matthew [...]rs Beaumont, the Countess of [...]e, Major and Mrs C. Collins, [...]R. Collins, Mrs R. Collins, [...] and Countess St Aldwyn, the [...]nd Countess of Ranfurly, Lord [...]ady Faringdon, Lord Barnetson, [...]Nunburnholme, Lady Balfour of [...]e, Lady William Bentinck, the Hon Mrs Kindersley, the Hon Mrs Ronald Higham, Air Commodore the Hon Sir Peter Vanneck (Gunmakers' Company), the Hon Mrs Bowlby, Lady Wilmot, Lady Findlay, Lady Salisbury-Jones, Lady Hornby, Lady Gibbs, Sir Clive and Lady Loehnis, Sir Philip and the Hon Lady de Zulueta, Brigadier Sir Geoffrey Hardy-Roberts, Mr H. S. L. Dundas (also representing the directors of the British Electric Traction Company) and the Hon Mrs Dundas, Major and the Hon Mrs Raymond Seymour, Colonel and the Hon Mrs Thomas Davies, Mr and the Hon Mrs Senior.
Mr Paul Jeanty, Mr David Stevens and Mr John Storar (deputy chairmen of Samuel Montagu and Company) with Mr Rudolf Bleichroeder, Mr Alexander S. Reid and Mr Mark A. Vaughan-Lee (directors) and other members of the staff, Mrs A. Montagu, Mr and Mrs Murrough O'Brien, Captain Leopold Lonsdale, Dr Christopher Gray, Father Dennis Murphy, Mr Michael Richardson (Cazenove and Company), Mr Ian Lockhart (Peake and Company) and Mrs Lockhart, Mr Thomas Kenny, Mr and Mrs A. Covill, Major and Mrs Martin Carleton-Smith, Mr and Mrs Harry Creighton, Major Desmond Fitz-Gerald, Mr and Mrs Desmond A. Reid, Mr Arthur Duckworth, Mr and Mrs Kenneth Waeg, Mr H. Lawrence, Mr L. Salter and Mr Gadsby (Purdy's and Company), and Mr Stephen J. Poyntz (Drayton Montagu Portfolio Management).

[...]ears ago

[...] The Times of Tuesday, [...] 17, 1955

[...]thansa flights

[...] Our Aeronautical Correspon[...]
[...]rtime RAF bomber pilot and a [...]er Luftwaffe night fighter [...] flew side by side at the con[...] of a Convair 340 aircraft into [...]on Airport yesterday to re[...] Lufthansas' European ser[...] which were suspended before [...]ar. Later it took off again on [...]return flight, Captain S. J. [...]n of Walton-on-Thames, Sur[...] who has been seconded to the [...] an airline for a year was in [...]and of the twin-engined air[...] which reopened scheduled [...]es between Munich, Frank[...] and London. His co-pilot was [...]ans Zimmermann. By coinci[...] they were engaged in the [...] theatre of operations during [...]ater stages of the war.

Forthcoming marriages

Mr J. J. P. Cheyne and Signorina E. Sestini
The engagement is announced between John Joseph Peter, son of Sir Joseph and Lady Cheyne, of 7 Via delle Terme Deciane, Rome, and Emma, second daughter of the late Signor Luciano Sestini and of Mrs Gordon Dawson, of Pergine, Arezzo, Italy.

Mr R. Broadway and Miss A. Humm
The engagement is announced between Robin, son of Lieutenant-Colonel and Mrs M. H. Broadway, of Farnham, Surrey, and Amanda, daughter of Mr and Mrs D. R. Humm, of Coulsdon, Surrey.

Mr S. R. Hicks and Miss G. M. T. Holland
The engagement is announced between Stephen, son of Mr and Mrs D. E. Hicks, of East Molesey, Surrey, and Georgina, daughter of Mr and Mrs P. A. Holland, of Chobham, Surrey.

Dr I. W. Mackenzie and Miss D. M. Causton
The engagement is announced between Ian, only son of Mr and Mrs W. A. Mackenzie, of Bembridge, Isle of Wight, and Deborah, only daughter of Mrs R. C. Causton, of Solihull, Warwickshire.

Dr P. T. Williams and Miss V. A. Ellinger
The engagement is announced between Peter, son of Mr and Mrs T. Ivor Williams, of Herne Hill, London, and Viki, daughter of the late Mr and Mrs Enrique Ellinger, of Buenos Aires, Argentina.

Mr J. R. Nicholson and Miss S. H. Budgett
The engagement is announced between James, son of Sir John and Lady Nicholson, of Mottistone Manor, Isle of Wight, and Sally, daughter of Mr and Mrs Alan Budgett, of Portway House, Kirtlington, Oxfordshire.

Mr S. P. Dewhurst and Mrs K. A. Salt
The engagement is announced between Simon Peter Dewhurst, of Barmere, Whitchurch, Shropshire, and Kate Antonia, daughter of the late Major Digby Hamilton and Mrs Hamilton, of Yarcombe, Honiton, Devon.

Mr H. B. Jago and Miss M. L. Smith
The engagement is announced between Hugh Benedict, eldest son of Mr and Mrs David Jago, of Marelands Farm, Copsale, near Horsham, Sussex, and Mary Lou, youngest daughter of Mr and Mrs Claud L. Smith, of Los Angeles, California.

Mr C. de Juniac and Miss K. Holland
The engagement is announced between Christian, son of Baron and Baronne Octave de Juniac, of Chelsea, London, and Kristine, daughter of Dr and Mrs M. R. Holland, of Minneapolis, Minnesota, United States.

Mr A. R. L. May and Miss V. K. Bowden
The engagement is announced between Andrew May, FRCS, youngest son of Mr Paul Luxmoore-May and the late Mrs Luxmoore May, formerly of Guildford, and Vivien, daughter of Dr and Mrs J. Bowden, of Harpenden, Hertfordshire.

Mr R. O. Barwis and Miss A. S. Barnes
The engagement is announced between Richard, elder son of Mr and Mrs C. W. Barwis, of Hulton House, Hulton-in-the-Forest, Cumbria, and Alexandria, daughter of Mrs Joan Barnes, of Walkerville, Newcastle-upon-Tyne, and the late Captain F. W. Barnes, MN.

Mr W. S. Greenhalgh and Miss T. J. Furlong
The engagement is announced between William, son of Dr and Mrs G. P. Greenhalgh, of Challow Park, Wantage, Oxfordshire, and Therese, daughter of Mr and Mrs P. Furlong, of Church Street, Wantage.

Mr G. J. Nathan and Miss S. V. Willes
The engagement is announced between Grahame, son of Mrs A. J. Nathan, of Overbrook, West Horsley, Surrey, and the late Mr Archie Nathan, and Sarah Vyse, daughter of Mr and Mrs Douglas Willes, of St Peter Port, Guernsey, Channel Islands.

Marriages

Dr P. Arnison-Newgass and Mrs O. R. Connell
The marriage took place quietly on May 10, 1980, in Alnwick, Northumberland, between Dr Paul Arnison-Newgass and Mrs Oriole Connell, née Findlater.

Mr N. J. W. Wilson and Miss A. Fairman
The marriage took place on Saturday, May 10, at St Peter's, Edensor, Derbyshire, between Mr Nicholas John Wandesford Wilson, of Wharton Hall, Winsford, and Miss Angela Fairman, of Totley, Sheffield.

Luncheons

HM Government
Mr Neil Marten, Minister for Overseas Development, was host at a luncheon held yesterday at Admiralty House in honour of Mr Abdelmuhsin M. Al-Sudeary, president of the International Fund for Agricultural Development. Other guests included:
Mr Philip Birnbaum, vice-president of IFAD, Mr J. Wiggin, MP, Parliamentary Secretary for Agriculture, Fisheries and Food, M. Roy Mason, MP, and Mr Robert Rhodes James, MP.

HM Government
Mr Peter Blaker, Minister of State for Foreign and Commonwealth Affairs, was host yesterday at a luncheon held at 1 Carlton Gardens, in honour of the Board of British Phosphate Commissioners.

British Council
Mr John Burgh, director-general, British Council, was host at a luncheon held yesterday at 10 Spring Gardens in honour of a delegation from the Chinese Academy.

Society of Company and Commercial Accountants
Lord Hill of Luton was the guest speaker at a luncheon given at the Dyers' Hall, Dowgate Hill, London, EC4, yesterday by Mr J. K. Poole, president of the Society of Company and Commercial Accountants. Among those present were:
Mr G. C. Smith, vice-president, Mr F. J. Bergin, member of council, Mr J. H. Tresman, executive director; Mr R. E. Beresford, Mr K. B. Carter, Mr P. Chalkley, Mr R. T. Chappell, Mr J. A. Dearlove, Colonel G. S. H. Dicker, Mr J. E. W. Heard, Mr W. O. Joliffe, Mr J. N. D. Keys, Mr G. McGurk, Mr E. J. Peskett, Mr D. Prior-Palmer, Mr H. Rich, Mr K. Severn, Mr A. J. G. Sheppard and Mr C. E. I. Thornton.

Mr and Mrs D. C. Johnson, Mr A. J. Brayshaw, Mr B. H. Rawlinson, the Assistant Chief Constable of Surrey and Mrs Hayes and Mr and Mrs H. T. A. Rutherford-Warren.

St Stephen's Constitutional Club
The Prime Minister was the guest of honour at a dinner given by the new MPs elected in 1979 at the St Stephen's Constitutional Club yesterday.

Metals Society
The annual dinner of the Metals Society was held on May 14 at Grosvenor House. Lord Ashby, Chancellor of Queen's University, Belfast, proposed the toast of the Metals Society. Professor R. W. K. Honeycombe, president, responded and proposed the toast of the guests, to which Dr D. V. Atterton replied. Among the 1,500 members and guests present were leading representatives of the iron and steel, non-ferrous and associated industries of Great Britain and many other countries and the presidents of British and foreign technical societies.

Wheelwrights' Company
The Lord Mayor and the Lady Mayoress, accompanied by the Sheriffs and their ladies, attended the annual dinner of the Wheelwrights' Company held at the Mansion House, yesterday. The Master and Mrs Humphreys, the Upper Warden and Mrs Dymott, and the Renter Warden and Mrs Cripps received the guests, who included
The Peruvian Ambassador, the Earl and Countess of Malmesbury, the Bishop of Southwark, Admiral Sir Andrew Lewis, Vice-Admiral and Mrs W. T. Pillar, Rear-Admiral and Mrs A. J. Cooke, Mr D. Owen Thomas, QC, and Mrs Thomas and the Masters of the Butchers', Tin Plate Workers' and the Carmen's Companies, and their ladies.

Parish Clerks' Company
After evensong yesterday at the Priory Church of St Bartholomew-the-Great the Master, Mr Reginald Adams, and Wardens of the Parish Clerks' Company entertained the brethren and their guests at the Ascension Day dinner, held at Butchers' Hall. Mr Noel Mander, the town clerk, the Bishop of London and the Master were the speakers.

Dinners

Lord's Taverners
The Duke of Edinburgh, a past president of the Lord's Taverners, attended a dinner presided over by the President of the Lord's Taverners, Mr Harry Secombe, at Dukes Hotel on Wednesday to celebrate 30 years of the Lord's Taverners Charity. Mr Raphael Djanogly was host. Among others present were:
Lord Rupert Nevill; Sir John Mills, Lieutenant-General Sir Ian Jacob, Major A. Huskisson, Mr John Snagge, Mr Stephen Mitchell, Mr Blean Rix and Mr Alfred Gover, past presidents: Mr Eric Morecambe, immediate past-president, Mr Neil Durden-Smith, Chairman of the Lord's Taverners, Mr C. B. Howland, immediate past chairman and Captain J. A. R. Swainson, RN, the Director of the Lord's Taverners.

Krug Award
Princess Alexandra, the Hon Mrs Angus Ogilvy, presented the Krug Awards of Excellence after a dinner held last night at the Banqueting House, Whitehall. The Lord Mayor of Westminster attended. Among others present were:
M Remi Krug, M Andre Herlard Dubreuil, Mr Henri Krug; Lord Duncan-Sandys, Lord Olivier, Sir Evelyn Shuckburgh, Dame Alicia Markova, Sir John and Lady Mills, Professor Sir John and Lady McMichael, Professor Sir Douglas Black, Mr and Mrs David Attenborough, Miss Jacqueline du Pré, Mr John Burr, Miss Ruth Cannings, Miss Beryl Grey, Miss Celia Johnson, Mr Derek Palmer, Mr Brian Stark and Mr and Mrs Ian Stoutsker.

Middlesex and Surrey Society
Lord and Lady Scarman were the principal guests at the Middlesex and Surrey Society dinner held at the Imperial Hotel, Russell Square, yesterday to celebrate the 200th anniversary of the society. Sir Graham Rowlandson, accompanied by Lady Rowlandson, was in the chair and received the guests. Among those present were:
Mr O. A. Hacking, honorary secretary, and Mrs Hacking, Mr E. E. N. Causton, treasurer, and Mrs Causton, Mr S. Kershen, honorary auditor, the Hon Ewen Montagu, QC, and Mrs Montagu, Mrs W. Walduck, Mr H. R. Walduck.

Reception

Overseas Development Administration
Mr Neil Marten, Minister for Overseas Development, was host at a reception given yesterday by the Overseas Development Administration at the British Council to mark the end of the sixteenth annual course for overseas government legal officers. The Attorney General, Sir Michael Havers, QC, and the Solicitor General for Scotland, Mr Nicholas Fairbairn, QC, were among those present.

Service dinners

Royal Army Chaplains' Department
The Duchess of Kent was guest of honour at the annual dinner of the Royal Army Chaplains' Department held at the Army and Navy Club, Pall Mall, yesterday after evensong in the Guards Chapel, Wellington Barracks. The Ven P. Mallett, Chaplain General to the Forces, presided and received the guests, who included:
Lord Strathcona and Mount Royal (Minister of State for Defence), Mr Barney Hayhoe, MP, Sir Frank Cooper, Sir Arthur Hockaday, General Sir Patrick Howard-Dobson, General Sir Robert Ford, General Sir Richard Worsley, General Sir Hugh Beach, Major-General H. D. A. Langley, the Bishop of Kensington, the Bishop of Croydon, the Bishop of Edmonton, the Dean of Windsor, the Ven R. H. Roberts, the Ven J. H. Wilson, the Rev C. R. W. Gilbert, Dr D. M. M. Carey, and Prebendary D. W. Cleverley.

London Scottish Regiment
The London Scottish officers' annual dinner was held at the Duke of York's Headquarters, Chelsea, last night. Colonel A. F. Niekirk presided.

Latest appointments

Latest appointments include:
Mr Nigel Vinson, aged 49, president and past chairman of the Industrial Participation Association, to be chairman of the Development Commission, in succession to Lord Northfield.
Professor Christopher Blake, aged 54, Bonar Professor of Applied Economics, Dundee University, to be a member of the Royal Commission on Environmental Pollution.
Mr Terence Grady to be Ambassador to the Gabonese Republic.

French keep a low profile at Devon show

From Our Correspondent
Exeter

The French maintained a low profile at the Devon County Show, which opened in Exeter yesterday. The show is twinned with the huge Caen trade fair, in Calvados, the department of France which in turn is twinned with Devon. For the last few years the Calvados marquee selling French bread and cheese has been one of the most popular on the showground but this year, because of the political disagreements between the two countries, the French waited until the last moment, but finally decided to come.

And although they have a marquee, there is no bread, no cheese and no Calvados apple brandy, just croissants and crêpes.

M Henri de Lisle, official representative of the Conseil Général du Calvados, explained: "We are anxious not to provoke angry reaction from British farmers. We do not want any trouble and it was decided to cut down on numbers, not as a protest against the British but to prevent any demonstrations."

But it could still be touch and go whether there are any demonstrations by Devon farmers angry about the French ban on lamb imports.

M Jean Batiste Danel, agricultural attaché at the French embassy in London, is due at the show today for a meeting with Devon farmers' union leaders. The union has said there will be no official demonstration, but some sheep farmers are still threatening action.

With clear skies and high temperatures the show attendance yesterday was heading for a record.

In the Devon cattle classes the breed championship was won by Capper Farms, of Kelso, in Scotland, with their bull, Fairmington Baron, sold last week to Brazil for a breed record price of £9,000. It was the bull's last British show before export.

Results:
Cattle: Devons, Capper Farms (Kelso); Herefords, E. J. Sanders (Launceston); South Devons, F. B. and F. C. Thomas (St Austell); Jerseys, Mr and Mrs J. K. Morrish (Wellington); Guernseys, P. L. Down (Midsomernorton); Ayrshires, B. and J. M. Colton (Drewsteignton); British Friesian, Mr and Mrs K. S. Showering (Wells, Somerset); Dairy shorthorn, R. D. Doggrell and Son (Salisbury).
Sheep: Exmoor horn, W. J. Burge and Sons (Brendon); Devon closewool, A. E. Cook (Umberleigh); Whiteface Dartmoor, W. R. and A. R. Norrish (Ivybridge); Dorset down, A. T. Guard (Torrington); Suffolk, A. E. Weaver and Sons (Frampton Cotterell); Dorset horn and poll Dorset, Fooks Brothers (Bridport).
Pigs: British saddleback, G. J. Ryhll and Partners (Newtown); Welsh, Mr and Mrs A. D. Green (Cheltenham); British landrace, S. S. Loveless (Bridport).

Northern opera seeks full independence

By Martin Huckerby
Music Reporter

As it prepares for its third season, the Leeds-based English National Opera North is seeking to become an independent organization and wants to cut the strings that bind it to its parent company, the English National Opera in London.

Mr Graham Marchant, the administrator of English National Opera North, said yesterday that he expected within the next 12 months to announce that the company was being established as a separate entity, with its own identity.

The company was set up in 1978 under the aegis of the ENO, and many of its initial productions were lent from London. But Mr Marchant said: "I think this is the last season in which the wholesale borrowing of productions from the Coliseum will be necessary".

The company was nearly ready to stand on its own feet, and he understood that the Arts Council were not likely to look with disfavour on such a move in the coming year.

Financially the company still faces some difficulties. Its spending in 1980-81 is expected to be £2.2m, which is only about two-thirds of the amounts spent by Welsh National Opera and Scottish Opera. Moreover, its support from local authorities is very varied; Leeds City Council is providing £234,000 in 1980-81, but West Yorkshire County Council is giving only £1,000.

It has a deficit of £210,000, largely arising from the expense of originally establishing the company, but the Arts Council has provided £70,000 to help it to write that off. The council grant for 1980-81 was £1,200,000: an increase, apart from the £70,000, of 13 per cent.

University news

Oxford
Awards and Elections
BALLIOL COLLEGE: Senior research fellowship, from Oct 1, S. W. Wells, BA (Lond), PhD (Birm), general editor of the "Oxford Shakespeare" and head of Shakespeare department, Oxford University Press.
CORPUS CHRISTI COLLEGE: Hon fellowships: Sir Peter Baldwin, Permanent Secretary, Department of Transport; Sir John Martin, private secretary to the Prime Minister, 1940-45; Sir Leo Pliatzky, Permanent Secretary, Department of Trade, 1977-79. Official fellowship in ancient history: Elizabeth Rawson, MA, fellow of New Hall, Cambridge. Chaplain: The Rev D. J. Atkinson, BSc, PhD (Lond), M. Litt (Brist). Open Scholarships: P. M. Hellegers, Stonyhurst, and C. G. Nunn, Radley. Open exhibition: Ruth A. Mayers, Okehampton Comp S, commoner of the college.

Science report

Genetics: Search for defective genes

By the Staff of Nature

Scientists in London have developed a safe and easy prenatal test for a form of thalassaemia that has previously been recognized only by the risky procedure of taking blood from an unborn child. They have based their test on principles already applied successfully to sickle-cell anaemia.

Prenatal diagnosis of genetic disease usually requires a sample of amniotic fluid, from which a few cells can be cultured. Originating in the foetus, they are grown until sufficient are available to be examined for evidence of the disease, in the form of, for example, an extra chromosome or a missing enzyme. The method is time consuming because the cells may not grow well, and cannot provide information about diseases that affect haemoglobin, the protein that carries oxygen round the body, and which is made exclusively in blood cells.

In sickle-cell anaemia the haemoglobin is bio-chemically abnormal and in the various forms of thalassaemia, also involving severe anaemia, one or both parts of the haemoglobin molecule is absent, or present in very low concentrations. Although foetal blood can be sampled and examined for its capacity to make haemoglobin, the procedure is difficult and undesirable on a routine basis.

A growing understanding of the genetic material carrying the instructions for making the parts of the haemoglobin molecule has now provided the means of identifying the defective genes directly. All that is needed is the genetic material deoxyribonucleic acid (DNA) extracted from the foetal cells in a sample of amniotic fluid.

Molecular biologists can now recognize the haemoglobin genes as particular sequences of subunits within the long molecules of DNA which are packaged into the chromosomes. Those forms of thalassaemia that are caused by the complete absence of a gene can be diagnosed easily because the foetal DNA lacks the relevant sequence. In other forms of the disease, however, a gene may be present but not functioning.

The new method has been developed to identify such genes by looking for short sequences in the adjacent genetic material, which can vary from one person to another. The variation is recognized using enzymes that cut specific sequences of DNA but do not affect others—the same enzymes that have made possible many of the recent advances in genetic manipulation.

A variant sequence linked to a defective gene is passed on one of the chromosomes from parents to offspring within a family. By looking for such sequences in the DNA of each member of a family known to carry a defective gene, Professor R. Williamson and his colleagues at St Mary's Hospital Medical School and University College Hospital Medical School, were able to recognize the chromosome on which the gene was carried. Then, by looking at the DNA of cells from the mother's amniotic fluid, they could determine whether her unborn child had inherited that chromosome, and if so whether from one parent or both. In the former case the child would be a carrier, and in the latter it would have thalassaemia.

So far they have looked at only a few families, but as long as appropriate sequences can be recognized in a family—and that may not always be possible—the method should be simple and reliable to apply. It is already used successfully for prenatal diagnosis of sickle-cell anaemia, especially in the United States where one in 10 of the black population is a carrier of the disease.

In principle the method could be used to recognize any defective gene before birth, but scientists are limited by their ignorance of the organization of most genes and the variable sequences that may be linked to them. So although molecular biology is likely to assume an increasingly greater role in prenatal diagnosis in the future, its rate of development cannot yet be foreseen.

Source: Nature, May 15 (vol 285, p 144; 1980).

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OBITUARY

PROFESSOR CARL EBERT

Unique contribution to English operatic life

Professor Carl Ebert who died in Santa Monica, California on May 14 at the age of 93, was an opera director who made a unique contribution to English artistic life, and it was recognized, when he finally relinquished his part in the Glyndebourne Opera, by the conferment on him in 1960 of the Honorary CBE.

He was in origin a German actor who found his way into operatic production by way of the Darmstadt State Theatre, to which he was appointed General Director in 1927. He had had theatrical experience with Reinhardt in Berlin and Weichert at Frankfurt at a time when the producer was the god of the German theatre. His acting days were recalled sometimes at Glyndebourne when he spoke the part of the Pasha in *Entführung aus dem Serail*. What he accomplished at Glyndebourne in collaboration with Fritz Busch as conductor was to give a living demonstration that opera was a form of art *sui generis*, a Gesamtkunstwerk, and not, as English tradition had for a couple of centuries believed, a vehicle for star singers against tattered scenery and rough-and-ready stage management. When the curtain went up on *Figaro* at Glyndebourne in 1935 it was a revelation of the ideals of Monteverdi's *dramma per musica* 300 years earlier, which were more often observed in German than in Italian opera houses or at Covent Garden.

He was born in Berlin in 1887 and went on the stage against his father's wish, beginning his carer in 1909 and achieving his greatest success, it is reported, as Leicester in Schiller's *Mary Stuart* in the 1920s, at which time he got a department of dramatic art created at the State Academy of Music in Berlin with himself as Professor. At Darmstadt he began to turn his attention to opera, with such success that after four years he returned to Berlin as Intendant of the Stadtische Oper. But the access to power of the Nazis was too much for his artistic conscience, just as it was for Fritz Busch at Dresden. They came together at Glyndebourne in 1935, and thereafter the collaboration of the two artists with another exile, Mr Rudoph Bing, as manager, led to the establishment of annual Mozart festivals in Sussex with the gradual enlargement of the repertory by Verdi and Donizetti.

Ebert at this time undertook work on Turkey for its National Opera and Dramatic School at Ankara. The Second World War again made him homeless and he began to work both in North and South America. In 1948 he founded a chair of opera at the University of Southern California in Los Angeles and combined its work with the directorship of the Guild Opera Company with results that have against commercial and Hollywood notions established a centre for opera independent of New York. After the war he was back at Glyndebourne and also back at last in Germany, where he was an indispensable figure at the reopening of the opera house in Hamburg, Cologne and Vienna. After Fritz Busch died in 1951 Ebert became Artistic Director at Glyndebourne, working in association with Mr Vittorio Gui and other conductors until 1959, when after a production of *Der Rosenkavalier*, which had been a cherished ambition for Glyndebourne, he retired.

Thereafter he settled in California though he was to return to Glyndebourne as a guest producer in 1962 and 1963. He was also still in demand as a guest producer in other parts of the world and his work continued to be seen at the Opera House, Zürich, in 1963 and 1965; at the Wexford Festival, 1965; and at the Deutsche Oper, Berlin, in 1967. He also held Master Classes on BBC Television in 1965 and 1967. He was honoured with decorations and honorary degrees by many countries.

Ebert's work won almost unlimited admiration in England and at the Edinburgh Festivals for its imagination and respect for the music. His care for detail was endless—he once told a singer who was forced to beat a retreat by a momentary failure of a black-out that he ought to have put on make-up behind his ears. His Mozart had the right degree of animation. In *Idomeneo* for instance, which is *opera seria* and therefore static, he moved his chorus in quick bouts between long periods of stillness, whereas his *Figaro* was kept on the move without being fussy. He missed the classicism of Gluck's *Orfeo* but was more successful with *Alceste*. As the Glyndebourne audiences changed to include a greater proportion of fashionable illiterates he tended to broaden his points for its benefit but to the detriment of *Il Barbiere*. His *Der Rosenkavalier* too was a strangely inappropriate choice for his farewell. But his group of operas as wholes, music as well as drama, broad sweep as well as small detail, and above all of the tempo at which music-drama can move, was something never known before, and his influence began to permeate the operatic institutions of every country in which he worked. For sheer virtuosity of stage-craft his production of Verdi's *Macbeth* was perhaps his most brilliant achievement.

Carl Ebert was a handsome, well-built man with a friendly face, a mop of hair which went white early in life, tirelessly dynamic on the job, a master of half a dozen languages, an inspiration to singers, so that Glyndebourne had fewer than the average of troubles of temper and temperament.

Ebert was twice married, first in 1912 to Lucie Splisgarth, by whom he had his two sons, one of whom died. This marriage was dissolved in 1923 and he married secondly in 1924, Gertrude Eck. There was a son and two daughters of this marriage. His son, Peter, born in 1918, inherited much of his flair for the theatre and in the post-war years shared some of the work at Glyndebourne with his father. From 1965 to 1977 he was Director of Productions at the Scottish Opera Company, in which year he became the Company's General Administrator.

RT REV HENRY KNOX SHERRILL

The Rt. Rev. Henry Knox Sherrill, Presiding Bishop of the Protestant Episcopal Church of the United States from 1946 to 1958, and a President of the World Council of Churches from 1954 to 1961, died on May 11 at the age of 89.

He was among a handful of American churchmen who were mainly responsible for influencing the major Protestant denominations to take up a more liberal and ecumenical outlook in the years after the Second World War.

Born in Brooklyn, New York, on November 6, 1890, Bishop Sherrill was at Yale, and then at the Episcopal Theological Seminary, Cambridge, Mass., and served his curacy at the famous Trinity Church, Boston. During the First World War he was a chaplain with the American Army in France umpiring baseball games for servicemen in his spare time and in 1923 became Rector of Trinity Church, Boston, and was consecrated ninth Bishop of Massachusetts in 1930. In the Second World War he was chairman of the Episcopal Church's Army and Navy Commission.

His election as Presiding Bishop of the Church in 1946 gave him a unique opportunity for the exercise of his gifts of personal charm and far seeing administration. It was a tribute to his friendship with people and his concern about the universal Church that led to his election as first president of the National Council of the Churches of Christ in the United States in 1947, and he was one of the prime supporters of the movement which ultimately led to the formation of the World Council of Churches.

He took a leading part in the Lambeth Conferences of 1948 and 1958, and became a close friend of the late Archbishop Lord Fisher, and was host to Lord Fisher on a number of occasions in the United States. It was his advocacy that led to the building of the new headquarters of the World Council of Churches in Geneva, and he personally raised the bulk of the money needed for the building.

He is survived by his widow, three sons and a daughter. All three sons are in the Episcopal ministry and one, the Rt. Rev. Edmund K. Sherrill, is Bishop of Northern Brazil.

He published an autobiography, *Among Friends*, in 1962.

MR GEOFFREY TANKARD

Mr Geoffrey Tankard, MBE, who has died in Bermuda, will be remembered by many as the pianist of the immensely successful duo that he and the violinist Albert Sammons formed. Together they gave over two hundred and fifty recitals and broadcasts. He will be remembered too, with gratitude and affection, by generations of pupils at the Royal College of Music, in whom he instilled as much concern for the broader aspects of music and the arts as for the minutiae of pianistic endeavour. That he took the latter seriously, however, was evident from such publications as *Foundations of Piano Technique*, *Piano technique on an hour a day* (with Eric Harrison) and *Pianoforte Diplomas*. His performing, teaching and examining took him to most of the countries of the world.

Born in Bradford of musical parents (his father was a piano merchant and musician), Tankard began his musical career as a chorister at Queen's College, Oxford. The concern for others, which his pupils felt so strongly, was paralleled by his work for, and among, the underprivileged and unfortunate. During the 1920s and 1930s he was a Governor of the Nutter Orphanage for Boys in his home town of Bradford and Treasurer of the YWCA there, and a prison visitor in Leeds. During the Depression he gave freely of his time and talents to raise funds so that families of the unemployed could have seaside holidays, and during the last war he also did much work for charity. He was interested in the connection between music and mental health, lecturing on the subject and touring mental hospitals as a recitalist.

His musical professionalism never hindered his amateur enthusiasms. He would lecture on Shaw as readily as on Bach; on the ethics of social concern as readily as on aesthetics. He founded Shakespeare and Philosophical societies at home and abroad.

Those who knew him will remember the apparent paradoxes which made his company so delightful: artistic sensibility and down-to-earth realism; capacity for enjoyment and resolute self-discipline; a sense of humour as lively as the sadness with which he felt the injustices and misfortunes of others.

His first wife, Beatrice Weddilove, was killed in a motor accident in France in 1958; there were two sons from this marriage. He married secondly Mary Abbott and lived in Bermuda, where he conducted the Philharmonic Society and gave weekly broadcasts on radio and television for almost 10 years.

PROFESSOR ARNOLD SORSBY

Bernard Benjamin writes:

Professor Arnold Sorsby CBE, FRCS, Emeritus Professor of Ophthalmology of the Royal College of Surgeons died in Worthing Hospital on May 6 after an illness of several weeks. His wife Charmaine had died a few days earlier after a long period of disability following a severe stroke. There were no children.

Arnold Sorsby was a member of a large and distinguished family. Two other brothers, Max and Maurice, were also wellknown medical men. They predeceased him.

Sorsby was a man of phenomenal intellect. Not only was he an ophthalmologist and eye surgeon of world wide repute but he had also a world reputation as a geneticist (he was the first editor of the *Journal of Genetics*) and as a medical historian (his books *Medicine and Mankind* and *The Tenements of Clay* received wide acclaim). He was the author of a number of standard text books. His work on refraction (in which I had the honour of assisting him statistically) had long reached a stage of rounding off knowledge to a definitive stage.

He worked sedulously, untiringly and unrewardedly for the blind—he was the darling of all the voluntary associations. After retirement from active practice he became an adviser in ophthalmology to the Department of Health. In addition to all this, he was a poetry anthologist. Although an emigre from Europe, his knowledge of English poetry was extraordinarily wide. He wrote beautifully (and I do not use the word carelessly). But although he was the nearest to a genius that I have ever met, I shall remember him best as the most gentle gracious and kind friend.

MR E. ELLSWORTH JONES

A correspondent writes:

With the death of Elmer Ellsworth Jones at the age of 73, a colourful character will be missing from the yachting scene. He was a familiar and respected figure around Chichester Harbour, Cowes and The Hamble.

He was commodore of the Royal London Yacht Club, Cowes, from 1959 to 1961. In 1970 he succeeded Earl Mountbatten, under whom he had served in Burma, as commodore of the Royal Thames Yacht Club.

During his period of office the club challenged for the America's Cup, but like all the challenges that had gone before it was unsuccessful. When he retired from office he was succeeded by the Prince of Wales in the club's bicentennial year, 1974.

He will be remembered as a man with an independent sense of humour, sometimes awesome, but always loyal to his friends, with the courage to tackle any task however unpleasant. A man who gave much of his later years to administration so that others could share the joys of sailing and racing which he had experienced.

He volunteered for the Royal Air Force in November 1939, ending the war with the rank of squadron leader, having twice been mentioned in dispatches.

He leaves a widow, three children and four grandchildren.

CAPTAIN COLIN MAUD

A correspondent writes:

Captain Colin Maud, DSO and bar, DSC, was one of the diminishing band of dedicated fleet destroyer captains who played such a distinguished part in the war at sea, 1939-40.

As captain of the Icarus, he captured a valuable German supply ship by a swift coup just before the second battle of Narvik. He led the three minesweeping destroyers which preceded the main force down Narvik Fjord during the second battle.

Later on, as captain of the Somali, he had many engagements, being eventually torpedoed during a Russian convoy. Maud was lucky to escape when the ship sank under tow.

He then turned his attention to Combined Operations, and was an inspiring Beachmaster on the D-Day beaches in Normandy and later at Walcheren.

After the war, his services included command of minesweeping forces and a spell with the Pakistan Navy.

MR FRANK LYNCH

Mr Frank Lynch, former General Secretary of the Confederation of Health Service Employees (COHSE) died on May 10 at the age of 71.

Lynch was born in March 1909 in Salford; he went to school until the age of 14 before taking a job in a local saw mill; his connexion with hospitals dated from 1937 when he joined the county mental hospital in Prestwich as a night patrol man. After the war he joined COHSE as a full-time local official, becoming a national organizer in 1974.

In May 1967 he became assistant general secretary and two years later succeeded to the general secretaryship. During his five years as general secretary he succeeded in raising the membership of the union from 69,000 to well over 150,000. He retired in 1974.

Stock Exchange Prices

Profit taking in oils

ACCOUNT DAYS: Dealings Began, May 12. Dealings End, May 30. § Contango Day, June 2. Settlement Day, June 9

§ Forward bargains are permitted on two previous days

The changes shown below are on Monday's closing prices

BRITISH FUNDS

SHORTS

[illegible]

MEDIUMS

[illegible]

LONGS

[illegible]

COMMONWEALTH AND FOREIGN

[illegible]

LOCAL AUTHORITIES

[illegible]

DOLLAR STOCKS

[illegible]

BANKS AND DISCOUNTS

[illegible]

BREWERIES AND DISTILLERIES

[illegible]

COMMERCIAL AND INDUSTRIAL

A — B

[illegible]

C — E

[illegible]

F — H

[illegible]

I — L

[illegible]

M — N

[illegible]

O — S

[illegible]

T — Z

[illegible]

FINANCIAL TRUSTS

[illegible]

INSURANCE

[illegible]

INVESTMENT TRUSTS

[illegible]

SHIPPING

[illegible]

MINES

[illegible]

OIL

[illegible]

PROPERTY

[illegible]

RUBBER

[illegible]

TEA

[illegible]

MISCELLANEOUS

[illegible]

• Ex dividend. a Ex all. b Forecast dividend. e Corrected price. c Interim payment passed. f Price at suspension. g Dividend and yield exclude a special payment. h Bid for company. k Pre-merger figures. n Forecast earnings. p Ex capital distribution. r Ex rights. s Ex scrip or share split. t Tax free. y Price adjusted for late dealings. .. No significant data.

هكذا من الأصل

THE TIMES BUSINESS NEWS

Stock markets
FT Ind 437.8 down 2.2
FT Gilts 67.67 down 0.17

Sterling
\$ 2.3005 up 1.20 cents
Index 73.5 up 0.4

Dollar
Index 85.3 up 0.1
DM 1.7955 up 68 pts

Gold
\$518.50 down \$7

Money
3 mth sterling 17-17⅛
3 mth Euro-\$ 10⅞-10⅞
6 mth Euro \$ 10⅞-11

IN BRIEF

·anian oil ıyers ·stricted to ve banks

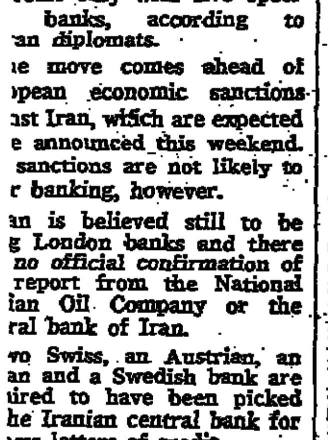
ın has told buyers of its :hat they can open letters redit only with five speci- banks, according to ·an diplomats.

ıe move comes ahead of ›pean economic sanctions ıst Iran, which are expected e announced this weekend. sanctions are not likely to r banking, however.

ın is believed still to be g London banks and there no official confirmation of report from the National ian Oil Company or the ral bank of Iran.

·vo Swiss, an Austrian, an an and a Swedish bank are ıired to have been picked he Iranian central bank for ıew letters of credit.

·board post



ir Austin Bide, chairman of ıo Holdings, who has been lè non-executive deputy ırman of BL.

ınal meeting report, page 20.

·rrowing talks

ir Geoffrey Howe, the Chan- or said in answer to a liamentary question yester- that the Government has eed to discuss with the ı's group the possibility of ıging the system of setting its for state industries' rrowing.

Need for more flexibility, page 21

·o misconduct found

Stock Exchange investigation) share dealings in toy group ıbee-Combex-Marx, now in eivership, has found no evi- ıce of misconduct. But the estigators acknowledged that ormation about the forward ler books of DCM's American ·rations could have leaked ough and affected share ılings.

·hina in World Bank

The People's Republic of ina has formally become a ·ember of the World Bank ·oup. The bank's board of ·ectors has voted to exclude iwan, whose 2.59 per cent ·areholding in the bank will allocated to the People's ·public.

·ircraft jobs

LearFan, the company which ·e Northern Ireland Depart- ·nt of Commerce recently set with United States partners manufacture a 10-seat execu- ·e aircraft in Ulster, has ·nched a recruiting drive. ·veral dozen engineers are be- ·g sought on the Northern ·eland market.

Water authorities face referral to the Monopolies Commission

By Derek Harris
Commercial Editor

More regional water authorities are to be referred to the Monopolies and Mergers Commission because of water rate increases, the Prime Minister told the House of Commons yesterday.

The Severn-Trent Water Authority has already been referred because of what Mrs Sally Oppenheim, Minister of Consumer Affairs, described as "widespread consumer concern about the charges levied by water authorities".

Depending on the terms of reference in the further investigations the Government could order that any adverse effects found by the Monopolies Commission be remedied. That might include either a pegging of water rates or even a reduction.

Mrs Thatcher was answering questions in the House of Commons about the level of pay settlements by water authorities in England and Wales. She said that the levels of settlements in private manufacturing industry had been generally lower than in the public monopolies sector—including the water authorities. After the referral of Severn-Trent, the Prime Minister said, "it is the intention to refer other water authorities to the Monopolies Commission".

There has been increasing criticism about rises in water rates this spring; some have been well in excess of 20 per cent. The Severn-Trent authority was chosen as a test-case on operating costs and efficiency largely because of its size. It supplies water and services to more than 8 million people in the Midlands, parts of Wales and the West Country.

Because of the controversy over rate rises the Government may make more referrals before the findings of the Severn-Trent investigation are known.

This will take probably six months, with a three-month extension if the Monopolies Commission needs the extra time.

It looks unlikely that the largest water authority, the Thames authority, would be referred for investigation because it has already been examined by the Price Commission.

But there has been considerable criticism of rate increases of about 28 per cent in the Southern Water Authority's area. Mr Tom King, Minister of State for Local Government, has already met the Southern authority as part of a series of meetings aimed at examining their efficiency.

He told the Commons earlier this month of his concern at Southern's high manpower levels and water rate increases in recent years. He was given an undertaking by Southern that it would reduce manpower levels.

But because of the work overload at the Monopolies Commission it is likely that only those authorities attracting the most criticism on rate increases will be referred.

The Monopolies Commission has already been asked by the Government to investigate British Rail's South-east commuter services and the operations of the Central Electricity Generating Board.

Mr Gordon Borrie, Director General of Fair Trading, is expected to announce within a few weeks a first batch of four individual company investigations for the Commission under the new Competition Act.

This spring's steep water rate rise follows three years of average increases of 16 per cent. But one of the reasons for the increases has been authorities moving towards scales, mandatory from April next year, which fix the price of water in direct relation to the cost of provision to the customer.

From 1978 domestic water bills have also included the cost of sewerage and waste disposal. The authorities have also lost the government support grants. Water authorities, which are self-financing, also carry heavy interest charges.

But the authorities have attracted increasing criticism over staffing levels, particularly in administration. This and other operating costs, along with their general level of efficiency, are likely to be the focus of the investigations decided on later.

Way cleared for Grand Met and Imperial Group to seal United States takeovers

By Our Financial Staff

British companies appeared to have concluded two big takeover bids in the United States yesterday. Imperial Group, the tobacco, beer and food company, said that it will go ahead with its £275m acquisition of Howard Johnson, the motels and restaurant chain. Grand Metropolitan, meanwhile, seemed near to success with its increased £248m offer for Liggett, the cigarettes and drinks combine.

Imperial's decision ended six weeks of uncertainty. The British group first announced its plan to buy Howard Johnson last year, but at its annual meeting in March, Sir John Pile, the outgoing chairman, appeared to cast doubts on his company's willingness to go ahead.

Yesterday, Mr Malcolm Anson, Imps' new chairman, wrote to Mr Howard Johnson, the founder and chairman of the "Ho Jo" chain, saying that his board had completed its final review of the proposed merger and had unanimously agreed that "all necessary action should now be taken to complete the transaction as soon as possible".

Imps' price in London lost 2p to 76½p. There is scepticism about the deal and the price the British company is paying.

In New York, however, the Howard Johnson share price recovered swiftly towards the \$28 a share offered by Imps. There had been fears that Imps might at least try to negotiate new, lower terms even if it decided against pulling out of the deal.

Grand Metropolitan raised its cash tender offer from \$415m (£180m), or \$50 a share, to \$570, or \$69 a share, and Standard Brands, another United States consumer product drinks and food group with which Liggett planned to merge, lost no time in quitting the contest.

Standard emerged as a White Knight to the rescue of Liggett from Grand Met a week ago. The boards of the two groups then agreed for Standard to make a cash tender of \$65 a share for Liggett's common stock, but only for 45 per cent of it.

Mr F. Ross Johnson, chairman of Standard Brands, congratulated Grand Met "on the apparent purchase of a fine American enterprise".

Liggett had fought Grand Met through the courts of Delaware, New Jersey and North Carolina, in efforts to stall its offer, and in pursuit of a policy of selling assets, sold its Austin Nichols drinks division to the French business, Pernod Ricard.

Grand Met refused to be deterred, however, from its object of safeguarding United States outlets for its J and B whisky, the best selling Scotch whisky in America.

Financial Editor, page 21

Output at BSC 20 pc below norm

By Peter Hill
Industrial Editor

British Steel claimed last night that the recovery it has made after the damaging 13 week strike had been better than expected.

Last month—the first full month of production since the strike was resolved — total United Kingdom steel production averaged 247,100 tonnes a week. This includes production at BSC and companies represented by the British Independent Steel Producers' Association.

However, because of the strike, weekly average output was well down on the output achieved in April last year of 464,800 tonnes.

The stoppage also affected some private sector steel plants in the first three months of the year.

Production at BSC plants returned to normal working early last month but, by the end of April, the BSC said its production was running at more than 80 per cent of the pre-strike level.

During the third week of April the big Llanwern works in south Wales which—with the Port Talbot plant is faced with substantial labour cutbacks later this year—greatly increased its deliveries of sheet and coil to customers.

In the House of Commons last night—the Government introduced its plans for lifting BSC's borrowing limit by £750m to £5,500m.

This is seen as the first step towards the eventual reconstruction of the corporation's balance sheet.

Fed chairman expects faster money growth

From Frank Vogl
Washington, May 15

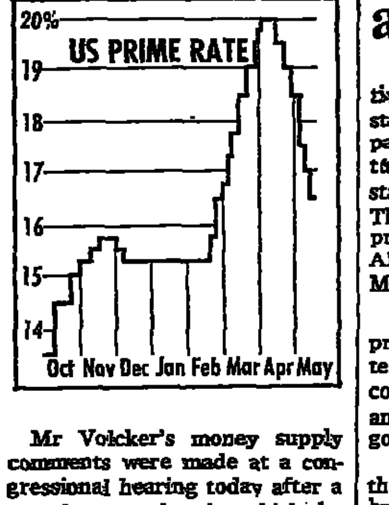
Mr Paul Volcker, the chairman of the Federal Reserve Board, said today that he expects a faster rate of money supply growth, stressing that the sharp fall in the money stock in April was partly due to the annual tax collections by the internal revenue service.

He said that he would expect the money supply growth rate "to move higher in time," but he cautioned that it is most difficult for the Fed to hit exactly its money stock growth target rates month by month. "I do not want to attach too much significance to any one month," Mr Volcker added.

Bankers Trust in New York and several other prominent banks today cut their prime rate to 16½ per cent from 17½ per cent. Morgan Guaranty was the first bank to go to 16½ per cent earlier this week.

Mr Volcker and Mr Anthony Solomon, the president of the New York Fed, have gone to considerable lengths in speeches in the last two days to indicate that the Fed is determined to attain its declared annual growth targets for the money supply which are below the growth levels seen in 1979.

At the same time they have stressed that it would not be inconsistent with this aim, if there was some easing in credit restrictions and some increase soon in the money stock.



Mr Volcker's money supply comments were made at a congressional hearing today after a speech yesterday in which he declared that the time might be approaching when some of the mid-March consumer credit restrictions can be eased.

He said he did not want to leave the impression that the Fed favours credit allocation in any form, but he believes that there is a chance that prolonging the life of the special measures could be counter-productive.

Mr Solomon observed earlier this week in New Jersey that the Fed must withstand pressures to switch to an overly expansive posture.

"The Federal Reserve should be careful to maintain not only the substance of monetary discipline, but the public's perception of that discipline until the inflation psychology is eradicated", he said.

Alfa Romeo venture with Nissan approved

Rome, May 15.—The executive committee of IRI, Italy's state industrial holding company, has approved a restructuring plan for Alfa Romeo, the state-owned car manufacturer. This essentially endorses the proposed joint venture between Alfa Romeo and the Nissan Motor Company of Japan.

Approval of the plan could prove to be the first critical test for Italy's new governing coalition of Christian Democrats and Socialists, the first such government in six years.

With the go-ahead from IRI, the benture must be approved by the Italian government and parliament before finally coming into effect. Signor Gianni de Michelis, the Italian industry minister, and the first socialist to hold the portfolio, has said publicly that he would support the proposed joint venture if IRI approved it and would resign if the government did not endorse IRI's decision.

Signor Clemente Mastella, the Christian Democratic deputy and secretary of the parliamentary committee on state industry, yesterday called for a hearing with Fiat, Italy's largest car maker, to evaluate and compare its proposals for Alfa's recovery with those of Nissan.

The request, which was put to Signor Francesco Principe, the committee's socialist chairman, urged the government to investigate the issue thoroughly and to resist pressure for a quick decision.

Fiat has strongly opposed any deal between Alfa and Nissan on the grounds that it would open the Italian and European Community car markets to fresh penetration by highly competitive Japanese producers.

Alfa management, for its part, has repeatedly claimed in the past that no other proposal offers advantages equal to those of the Nissan plan. Therefore, observers say, unless Fiat alters the terms of its offer significantly, the road will be clear for the Alfa-Nissan venture.

The plan approved by IRI, Alfa's parent company, aims at returning Alfa Romeo to profitability within the next 10 years and includes provisions that would allow Alfa collaboration with foreign car companies, which implicitly sanctions the Alfa-Nissan venture.

Moreover, the IRI plan outlines in detail terms of the type of joint venture needed for Alfa's recovery which correspond to the terms of the proposed Alfa-Nissan plan.—AP. Dou Jones.

False labels on Chinese textiles, union claims

By Derek Harris
Commercial Editor

Chinese made garments like shirts and blouses are being falsely labelled as made in Hongkong, bringing another low-price textile threat to Britain's garment makers.

The National Union of Tailors and Garment Workers NUTGW), worried over rising British redundancies and short-time working, are so incensed by the Chinese action that they have appealed for action from Sir Murray MacLehose, governor of Hongkong.

There is increasing evidence of false labelling of goods being used to avoid quotas on Chinese textiles, according to the NUTGW. Hongkong textile houses are also involved in the trade, it is claimed.

This is why Mr Alec Smith, general secretary of the NUTGW, has written to the governor of Hongkong asking for an urgent inquiry into the extent of false labelling of garments.

Fears about the extent of false labelling of Chinese goods emerged earlier this year when the NUTGW warned the British Government and the Hongkong authorities that reports were coming in of jeans made in China and labelled as coming from Hongkong, being exported to the United States.

Since then a Hongkong garment maker has been fined in the colony for falsely declaring that China-made blouses originated in Hongkong.

"It looks as if we are seeing the tip of an iceberg", Mr Smith said. "This fraudulent trade is a contributory factor in the decline of the clothing industry in the developed world."

Some 15,000 jobs have been lost in the British clothing industry since the start of the present recession and a further 15,000 workers are at present on short-time, Mr Smith said.

The Department of Trade has taken the view that even if false labelling of Chinese goods escapes restrictions on Chinese imports they are still caught by restrictions on Hongkong imports.

The NUTGW agrees with this but argues that there is still an effect on the British industry because the Chinese goods are made more cheaply than those in Hongkong.

Genuine Hongkong goods have been rising in price, reducing their competitiveness in the British market, but the Chinese goods widen the competition gap again, the NUTGW says.

False labelling could pose a problem for the Hongkong government because of doubt thrown on the reputation of the colony's certificates of origin, Mr Smith says.

It could add strength to those arguing for harsher restrictions on textile imports, although the NUTGW itself regards such arguments as "unrealistic", he added.

The Hongkong government had earlier argued that it has been increasingly vigilant in policing false labelling practices. But those practices apart it has made increasingly good commercial sense for joint ventures between Hongkong companies and China to be set up under which machinery and expertise is supplied to China so goods can be manufactured there at much reduced labour cost.

Last year women's and girls' dresses made in China were landed in Britain at an average £4.34 each compared with £13.53 for similar goods from Hongkong and £6.39 for dresses originating in India, according to the NUTGW.

Tightening of ship safety rules expected

By Michael Baily
Shipping Correspondent

Tougher measures against substandard ships are expected, after a series of top-level meetings between maritime interests and seniord ministers in Brussels and various West Europe states.

The aim is to get Europe to follow the nited States and Japan in taking firm action against substandard ships which call at its ports to collect or deliver cargo. Standard practice worldwide until recently has been to leave it to the "flag state" to enforce safety standards on ships flying their flag.

Despite recent efforts to improve matters, some of these flags, notably the flags of convenience, are recognized to be unable, or unwilling, to enforce standards acceptable elsewhere.

Shipping leaders have hesitated so far to encourage "port states" to act against visiting shis for fear that this kind of ad hoc policing could get out of control. Now, these same leaders, along with governments and see Intergovernmental Maritime Consultative Organisation, the United Nation's maritime arm; accept this is the way to raise standards quickly.

Pension funds seek full time director-general

By Ronald Pullen

A full-time, paid director general is to be appointed by the National Association of Pension Funds (NAPF) for the first time in its 50-year history.

The move is intended to provide the association with a much stronger voice to represent the interests of its 2,100 members in future discussions within City and government circles now that the spotlight has been trained on the activities of the £40,000m pension fund movement.

It is no coincidence either that the appointment has been announced just ahead of the Wilson Committee report on the workings of the financial system. The committee, which is expected to publish its findings next month, has focussed much of its attention on the power and apparent lack of accountability of the pension funds.

Pension fund leaders have become increasingly concerned about the possibility of some state direction of institutional investment. Although this has receded with the Conservatives in office, a minority report from the committee is expected to recommend that up to 10 per cent of institutions' annual £3,500m cash flow should be diverted to help finance a National Investment Bank.

There are no immediate candidates for the job, which was announced yesterday by Mr Michael Pilch, chairman of the NAPF, at the opening of the association's annual conference in Brighton.

The salary is likely to be up to £40,000, to reflect the status the association attaches to the job. The WAPF decision contrasts strongly with the Building Societies Association, which has often discussed the need for a full-time director general but has chosen to remain with a part-time chairman to lead the movement.

Delegates to the conference will today discuss two important papers from the NAPF council. Both are aimed at improving self-regulation of pension funds, where legislation is patchy, to head off the threat of statutory regulation.

The first proposal is for a code of practice to provide pension fund members with a "higher and more uniform standard of information about occupational pension schemes". The code covers statutory requirements and sets down further information which it regards as a "minimum" standard for all schemes.

The code suggests ways of simplifying and improving information to members of pension funds, especially on the problems involved in leaving a scheme before retirement. A "desirable minimum" is that members should receive an annual trustees' report covering the audited accounts, details of investments and an actuarial report.

The second paper, which has been put forward as a discussion document only because of its more controversial nature, deals with the participation of members in the operation of pension funds. Recognizing the difficulties of increased participation, the NAPF council nevertheless argues that it would improve employee relations and promote a better understanding of the workings of pension schemes.

Such proposals fall a long way short of the kind of reforms pension fund critics have been calling for. In particular pension fund accounting is widely regarded as inadequate with no requirement for funds to present annual audited reports.

There is concern also about the practice of pension funds investing too heavily in the shares of their own company and in some cases lending directly to the company.

New mood after furious battle to stay independent

Bowring tees up for takeover

One of the world's biggest insurance brokers, Marsh & McLennan, could soon be nestling between London Provident United and Minet Holdings in the morning paper stockmarket quotations to the thinly designed chagrin of some traditionalists in the London insurance market.

It seems certain that the group will succeed in its £240m takeover bid for C. T. Bowring. Then about 24 per cent of the American group's equity will fall into British hands.

As if to avoid looking too much like the cuckoo in the insurance nest, Marsh plans to split its heavyweight \$56 shares in two and offer British investors bearer depositary receipts representing one-tenth of the value of each Marsh ordinary.

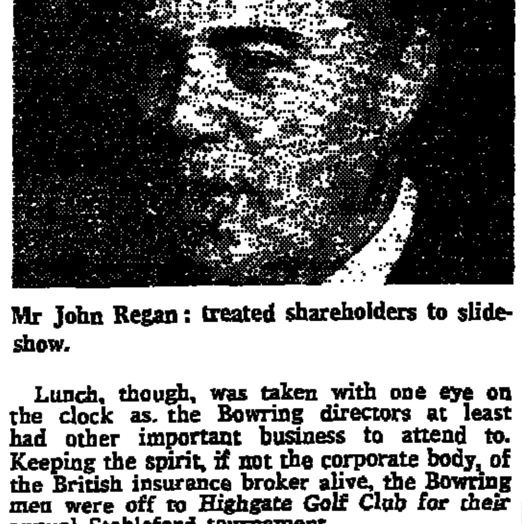
"That should provide a more manageable price of around 150p", a Marsh executive said yesterday, presumably more in hope than in certainty; 150p would equal a New York price of something like \$68.

But Marsh is putting on an impressive show in tying up loose ends, after winning support for its bid from the British group's directors.

Mr John Regan chairman of Marsh had breakfast with stockbrokers in London on Wednesday and yesterday he treated shareholders of Bowring to a talk and slideshow aimed at proving the merits of sticking with the combined group.

At a lunch with the press Bowring directors continued the theme that all was now sweetness and light between the two camps. Just two months ago Bowring was fighting furiously for independence, declaring that a Marsh takeover would lead to the complete domination of London and Lloyd's by American groups.

Whether or not that view has changed members of the Bowring camp presumably feel that they might as well sit back and enjoy themselves.



Mr John Regan: treated shareholders to slideshow.

Lunch, though, was taken with one eye on the clock as the Bowring directors at least had other important business to attend to. Keeping the spirit, if not the corporate body, of the British insurance broker alive, the Bowring men were off to Highgate Golf Club for their annual Stableford tournament.

One Bowring executive said somewhat sheepishly: "We have got to get as many games in as possible before Jack [Regan] takes over. He does not play you see."

In Britain, where brokers claim to do a lot of their dealing from tee to green, that could sound like a black mark against Mr Regan. But as the Bowring man added: "There aren't many golf courses in Manhattan."

Richard Allen

PRICE CHANGES

Rises

·pine Hlds	6p to 70p	MIM Hlds	6p to 196p
·ntury Oils	8p to 157p	Pullman R & J	3p to 40p
·dens	3p to 44p	Standard Tel	8p to 302p
·ampton Gold	15p to 393p	Utd Scientific	12p to 515p
·olt Lloyd	17p to 239p	Welkom	20p to 506p

Falls

·t Sugar	8p to 198p	IC Gas	8p to 842p
·ness Capel	7p to 149p	Lasmo	12p to 656p
·woods	12p to 198p	Sun Alliance	18p to 576p
·n Accident	14p to 242p	Tricentrol	8p to 360p
·p Chem Ind	6p to 388p	York Trailer	2p to 22p

THE POUND

	Bank buys	Bank sells
·ustralia \$	2.09	2.02
·ustria Sch	30.50	28.75
·elgium Fr	69.75	66.25
·anada \$	2.71	2.64
·enmark Kr	13.21	12.66
·inland Mkk	8.80	8.40
·rance Fr	9.86	9.46
·ermany Dm	4.27	4.05
·reece Dr	98.50	93.50
·ong Kong \$	11.45	11.00
·eland Pd	1.13	1.09
·aly Lira	1985.00	1890.00
·apan Yen	545.00	520.00
·etherlands Gld	4.68	4.45
Norway Kr	11.62	11.12
Portugal Esc	113.00	107.00
South Africa Rd	2.10	1.96
Spain Pta	164.75	157.75
Sweden Kr	9.95	9.55
Switzerland Fr	3.97	3.75
USA \$	2.34	2.28
Yugoslavia Dnr	48.75	45.75

Rates for small denomination bank notes only, as supplied yesterday by Barclays Bank International Ltd. Different rates apply to travellers' cheques and other foreign currency business.

Japan posts a $2,005m trade deficit for April

Japan had a customs-cleared trade deficit of $2,005m (about £887m) in April, widening from a $1,075m deficit in the preceding month, the finance ministry has announced in a preliminary report issued in Tokyo.

Dollar-based exports showed an annual gain of 26.6 per cent to $10,033m and were below March's exports of $10,711m.

Imports rose 44.7 per cent to $12,038m and were ahead of $11,785m in the previous month.

Seasonally adjusted dollar-based exports gained 6.9 per cent in April to $10,134m from March's adjusted $9,480m.

Imports gained 7.9 per cent to $12,133m from $11,241m in March.

Need to diversify

Arab countries' financial investments need to be diversified to help insulate international banks from politics, Dr Jawad Hashim, the president of the Arab Monetary Fund has said in Abu Dhabi.

Finnish prices rise

Finland's consumer price index was 126.7 (1977=100) in April, up 1.9 per cent from March and up 10.7 per cent from a year earlier, the Central Bureau of Statistics says in Helsinki. The rise was caused mainly by higher prices of food, clothing and travel. Inflation this year will be well over 10 per cent.

Sweden counts cost

Sweden's new central wage pact, agreed last weekend, could add 1,000m to 1,500m crowns (£105m to £152m) to this year's trade deficit, the national institute for economic research says in Stockholm. In April the government forecast the deficit would be 7,060m crowns.

Peak capacity

Capacity utilization in West German manufacturing industry, at a seasonally adjusted 85.9 per cent in March, is likely to have reached its peak, according to an economic survey conducted by IFO institute for economic research in Munich.

Mixed response over scheme to counterbalance union power

CBI council to debate strike fund

The Confederation of British Industry's controversial strike fund proposals are due to have what Sir John Greenborough, its president, describes as a "second reading debate" next week. However there is no clear indication about what, if any, decision will result.

The 400-strong council can either reject the scheme or, more likely, having aired its feelings it can defer a decision for another month.

Preliminary soundings reveal a mixed response. Scepticism about the practicalities of such a fund being able to pay out enough to make membership worthwhile are being weighed against a desire to provide tangible evidence that employers will work together to counterbalance union power.

There are also those who will argue that the new clause limiting secondary industrial action —which has been introduced in the Employment Bill after the strike fund was last discussed by the council—will make the scheme unnecessary.

The counter argument to this is that the clause, even in its revised form, still leaves large gaps which could be filled by the strike fund.

The new clause is designed to limit secondary industrial action by making illegal actions which interfere with commercial contracts, except in some circumstances. It will not, however, affect action by employees against their own employer, nor will it have much impact on unofficial strikes.

The typeof scheme envisaged by the CBI's balance of power steering group, chaired by Sir Alex Jarratt of Reed International is, a mutual fund open to all private sector members.

It would pay between 50 and 75 per cent of standing charges such as factory and office overheads to member companies if they were hit by a strike:

Individual premiums would be worked out on the basis of these standing charges. Premiums would also vary, depending on a company's industrial relations record and its vulnerability to stoppages.

No payments would be made for the first seven days of a closure and the insured company would be expected to bear a proportion of the subsequent costs itself.

The fund would be owned by an insurance company which would be the property of members of the fund. The fund would be based outside Britain, probably in Guernsey, in order to avoid legal complexities which would otherwise delay the starting date. The CBI hopes to establish the fund this autumn.

The proposals have been painstakingly formulated by the steering group working with a consortium of insurance brokers including C. T. Bowring, Gault Armstrong and Kemble, Hogg Robinson, Sedgwick Forbes Bland Payne and Willis Faber.

Detailed consultations have taken place with regional CBI council members. A survey was made of 150 industrialists from some 120 companies. It revealed that one-third wanted to know more and several said definately they were prepared to join.

All concerned however emphasized that the plan can only succeed if it attracts a sufficient spread of strike-prone and dispute-free organizations.

Previous strike compensation schemes in the United Kingdom have been confined to specific industries which prevents the risks being spread.

The Engineering Employers' Federation has been operating a strike fund since 1923. However the finance, estimated at over £4 million, would be a drop in the ocean in a full scale national dispute.

Newspapers and shipping companies have also run schemes with limited success.

The CBI's argument for its scheme is that it would have a much better chance of success since it would operate across a spread of industries and types of company.

Supporters, however, regard its psychological impact in demonstrating management solidarity to be as important as the financial gains: the fund would boost employer morale and dispirit the unions.

Critics have replied that this in turn could provoke longer strikes and generally disrupt industrial relations.

It is difficult to gauge the effect developments such as the steel strike (when employer self-help in pooling supplies certainly helped to cushion the impact) have had on attitudes since the CBI's conference endorsed the strike fund principle last November.

The council may shelve the idea until the full extent of the Government's proposals on trade union immunities are revealed in the Green Paper promised later this year.

Patricia Tisdall

BL's record on internal disputes improves, but strikes cost £60m

By Bryan Appleyard

Working hours lost at BL because of internal disputes fell by 52 per cent last year and by a further 30 per cent in the first quarter of this year, Sir Michael Edwardes, the chairman, revealed at the company's annual meeting in London yesterday.

Sir Michael also announced the appointment of Sir Austin Bide, chairman of Glaxo Holdings, as non-executive deputy chairman in succession to Mr Ian MacGregor who is joining British Steel.

Mr John Mayhew-Saunders, chairman of John Brown, is to join the BL board as a non-executive director.

Sir Michael said that the TUC's Day of Action was a further example of external pressure which the company could do without. However, only two out of 57 plants could not start production as a result.

Sir Michael, commenting on last year's trading loss of £122.2m before tax, said BL was "not the sole author of its misfortunes".

He pointed out that the road haulage and engineering strikes between them subtracted £60m from profits, 10 million hours from production and resulted in 70,000 lost vehicles. In addition the steel strike diverted management effort from the recovery programme.

The second problem last year was the dramatic drop in the company's competitiveness in overseas markets; Sir Michael blamed the strong pound, high inflation and high interest rates which also made the United Kingdom a highly profitable market for foreign manufacturers.

He said BL calculations showed that profit margins for French and German manufacturers exporting to the United Kingdom had doubled and those for the Japanese had quadrupled.

Last year's growth in the home market has eased off with April car registrations down to 115,000 against 162,000 last year. Abroad, margins have been reduced to the point where BL is barely covering overheads.

But within BL Sir Michael was encouraged by the plant ballot for the recovery plan, the 5 per cent wages deal and the improved industrial relations. Closures and rationalizations had been achieved with impressive speed and the new model programme was going according to plan; the new Mini Metro was on schedule for its October launch.

More collaborative ventures are being planned to follow up the Honda deal and Sir Michael sees these as keys to the company's recovery.

He stressed that the possible change in obligations on the National Enterprise Board to report to the Government made absolutely no difference to the BL board.

On the future Sir Michael said the external factors were unfavourable so it would be impossible to judge 1980 in terms of profitability; the most critical test was whether the recovery programme could be continued within the cash flow targets.

BL is expecting its suppliers not to agree to inflationary wage settlements. The BL workforce had shown restraint and it would have a right to feel aggrieved if its competitiveness was damaged by British suppliers passing on higher prices to cover high wage settlements. He pointed out that BL could turn to overseas suppliers.

Sir Michael said all car making nations were in a contest of survival with Japan being the only exception to the pattern of cuts, losses and redundancies.

He said: "Japan is exporting its problems and unemployment along with its cars and it is a moot point how long the West will accept the resulting imbalance of trade."

Sir Michael Edwardes at the Café Royal yesterday: strikes to blame for nearly half the trading loss.

LETTERS TO THE EDITOR

Faulty reasoning over British Airways' sale

From Professor Rigas Doganis

Sir, Your Financial Editor's comment (May 12) on government plans for the flotation of British Airways justly emphasizes the financial difficulties involved in such a flotation.

The Government's reasoning is suspect on other grounds, too. Selling off shares to the public has been justified both in terms of freeing the airline from government control and in terms of reducing the public sector borrowing requirement at a time when the airline is about to embark on a major investment programme. Both of these requirements could be met without selling off part of the airline. Treasury guarantees on BA's loans could have been withdrawn without a change of ownership, with the result that BA's loans would not have figured within PSBR figures. Alternatively, one could argue that with the Government still holding a majority of shares after flotation, banks lending to BA will assume that their loan is effectively guaranteed even if there is no formal Treasury guarantee. Ownership appears irrelevant to BA's more fundamental problems of overmanning and comparative inefficiency in certain sectors. These problems will not be solved by selling off shares to the public.

There is an added irony in the Government's proposals. The public will be able to buy shares in the state-owned airline, yet continue to be denied direct access to the shares of the largest private sector airlines, such as British Caledonian or Laker Airways!

Yours faithfully,
RIGAS DOGANIS,
Director
Transport Studies Group,
The Polytechnic of Central London,
35 Marylebone Road, London NW1 5LS

Government policy on overseas students

From Mr David Madel, MP for South Bedfordshire (Conservative)

Sir, May I, as a member of the House of Commons Select Committee on Education, Science and the Arts, comment on your Business Diary of May 8, in which Professor Dahrendorf, Director of the LSE, is quoted as saying that the LSE will recruit more foreign students whose fees will replace state funds withheld by the Tories to reduce the number of foreign students. Education ministers have said on many occasions that the Government's objective in requiring overseas students to pay full cost fees was aimed at reducing public expenditure and not cutting down numbers. Indeed, in his evidence to the Select Committee on March 26, the Secretary of State said: "Obviously, since we are not attempting to control by quota, a university is free to recruit those overseas students that they may wish to recruit."

In fact, the action described in your paper of May 8 being taken by the LSE of recruiting as many foreign students as possible is not against government policy but very much in line with it.

Yours faithfully,
DAVID MADEL,
House of Commons,
London SW1A 0AA.
May 8,

'Big boys' who do not pay

From Mr J. C. R. Fieldsend

Sir, The Law Commissioners read with interest the suggestion by Mr R. E. Poole (May 8) that the problem of the "Big boys who don't pay up" might be alleviated by legislation that all unpaid accounts should carry interest at bank rate after the expiry of any specified term of credit.

The Law Commission has already recommended that legislation along these lines ought to be introduced. Its proposals are to be found in the Law Commission's Report No 88 on Interest (Cmnd 7229) which was presented to Parliament by the Lord Chancellor in June, 1978. The report contains a draft Bill to implement the proposals which still awaits implementation.

Yours faithfully,
J. C. R. FIELDSEND,
Secretary,
Law Commission,
Conquest House,
37-38 John Street, Theobalds Road,
London WC1N 2BQ.
May 9.

Service at U K Patent Office

From the President of The Institute of Trade Mark Age[nts]

Sir, I write in support of [the] views expressed by the Pr[esi]dent of the Chartered Instit[ute] of Patent Agents in his let[ter] of May 12.

Government fees for ope[ra]tions affecting the registrat[ion] of trade marks were increas[ed] by 30 per cent (a higher p[er]centage increase than th[at] introduced for patents a[nd] designs) on May 6. For m[ore] than six months my instit[ute] has been pressing for an [as]surance that these substan[tial] increases, which were assum[ed] following a meeting with [the] relevant minister in Novemb[er] to have been calculated to p[ro]vide a full complement of st[aff] at the patent office, wo[uld] serve to provide a marked [im]provement in efficiency a[nd] productivity at the office.

Yet the Trade Marks Re[gi]stry now has less staff than [it] had in November, is 12 [per] cent down on the number [of] posts authorized to deal w[ith] the current and increasing le[vel] of fee-earning work it recei[ves] and we understand, has had [no] authority for an increase [in] staff numbers to cope.

The Government must ta[ke] steps to uphold the prestige [of] this profitable and highly [re]garded arm of the trading a[cti]vities of this country.

KEITH HAVELOCK,
President,
The Institute of Trade Mark Agents,
69 Cannon Street,
London EC4N 5AB.

Paying for building society information

From Mr Martin Stevens

Sir, With reference to [...] Ticehurst's letter (May 9) [I] recently needed to know [the] details of a client's proper[ty] insurance from the Manches[ter] branch of the Nationwi[de] Building Society and was [in]formed that the informati[on] would only be released on p[ay]ment of £6.90.

This sum was later reduc[ed] on protest to the "minimum" fee of £1.15 although I do [not] see why any charge should [be] made for the release [of] information about policies f[or] which people have to pay a[nd] particularly when no accoun[t is] made to the premium paye[r] for the commissions receiv[ed].

When provided, the inform[a]tion did not even state t[he] name of the insurance compa[ny] concerned.

Yours faithfully,
MARTIN STEVENS,
2a, Ashley Street,
Salford M6 5QY.

BY THE FINANCIAL EDITOR

When faced with the facts . . .

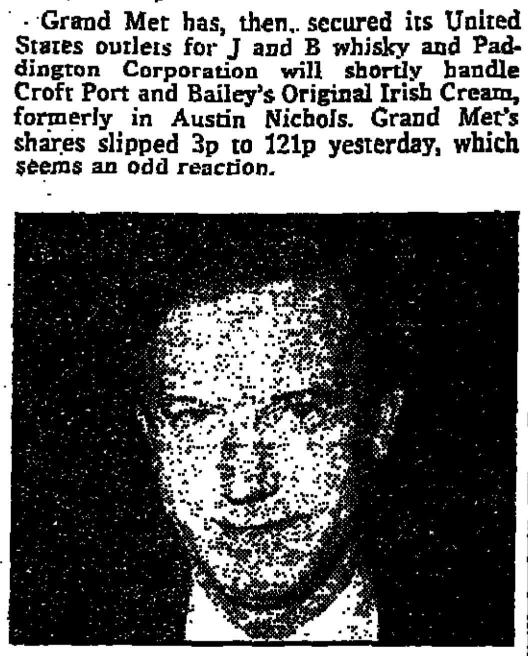
·financial markets, not least the long-end ·e gilt-edged market, flying in the face ·ll the evidence? Yesterday's sterling ·igures may have looked sound enough, the April increase limited to 0.3 per to give an annualized rate of growth last October of only 6½ per cent.

·t the bank lending figures were no less appalling—an increase of more than ·0m in sterling lending to United King- residents—and today's *RPI is expected* ·ow prices advancing at an annual rate ·round 21 *per cent. Indeed,* the only ·stics pointing to an incipient recession ·e moment are the figures for M1, the ·owly defined money supply, and ·loyment.

·at said, the City may be cautious but it ·ins basically unmoved: deepening ·ssion and lower interest rates are just ·nd the corner. Certainly, one is tempted ·eat the *April lending figures as some-* ·t freakish. But I would still want to see ·ry marked improvement for May/June ·re I would relish the prospect of the ·ks being set loose in the retail market ·, the corset. Ministers and markets are ·g to need to grit their teeth a while ·er.

shareholders' funds, the pro forma balance sheet apparently indicates a ratio of more than 40 per cent but this will fall with Grand Met's property revaluation later this year to less than 30 *per cent.*

Grand Met has, then, secured its United States outlets for J and B whisky and Paddington Corporation will shortly handle Croft Port and Bailey's Original Irish Cream, formerly in Austin Nichols. Grand Met's shares slipped 3p to 121p yesterday, which seems an odd reaction.



● *Predictably, Lloyds and Scottish, whose chairman Mr George Duncan (above) had already warned shareholders that high interest rates adversely affect the profitability of finance houses, has reported lower interim profits, down from £12.25m to £11m but at the attributable level the fall is only 3.6 per cent because of lower taxation.*

But much of that is old hat and well discounted in the market where the shares remained unchanged at 143p. Because interest rates did not move as quickly down as most observers expected profits this year could be slightly under the £27.8m made last year. What matters is what happens next, for if interest rates do not go further up profitability could be good; if they go down there would be a real bonanza.

Brokers, Laurie Millbank calculate that if next year MLR averages 15 per cent Lloyds and Scottish is set to make around £40m, implying a fully taxed p/e ratio of 8.4. After that there could be another good year even though over the two years recession could inhibit the growth of some of the business and bad debts could increase.

·ps/Ho Jo

·oing ·ead

·erial Group is defying the sceptics and ·g ahead with its offer for Howard John- ·on the original terms of $28 a share— ·gh of course the change on the sterling/ ·ar exchange rate means that the sterling ·e is around £40m less than when the deal first mooted last year.

·ven so the London market is unenthu- ·tic; Imps' shares price eased 2p to 76½p ·erday while on Wall Street Ho Jo's ·es rebounded above $20 on the news as ·culators *came off the book.*

·nps will argue that this is a deal for the ·ger-term however. Indeed, it is since it consume a large part of Imps' famous ·estments (mainly in gilts) the group can ·r be judged in its final incarnation, the ·ersification away from tobacco depen- ·ce and a significant purchase of overseas ·nings having been achieved.

·hus, Imps is food; tobacco; beer and fast ·d catering. The question is whether it now perform, and doubts about this ·lain the scepticism.

·t is Imps' first major overseas investment it is being made when there are doubts ·ut the ability of the catering business in United States to maintain anything like *record of growth.*

·he price Imps is paying does not reflect ·se doubts though it believes that together ·h the existing Ho Jo management it has capacity to keep the growth going.

·here are a lot of fund managers who ·t to think that will be true, but Imps' ·ord of acquisitions has not been impres- ·e and managing Ho Jo through the reces- ·could be a good deal more difficult ·n anyone has bargained for.

Trafalgar House

Peaks and troughs

Interim results from Trafalgar House are in line with expectations, with pretax profits of £18 (after stripping out a £1.32m profit on ship sales) comparing with £15.75m in the first half last year. Of the divisions, construction and housing turned in a slightly disappointing performance (profits down from £11.05m to £10.68m pretax), given that the comparable period was affected by poor weather; but thanks to a recovery in the cargo interests (with the exception of the refrigerated fruit carriers) the losses of the shipping, aviation and hotels division came down from £7m to £2.95m, before credits on ship sales.

However, with the hotels affected by the comparative dearth of tourists there is unlikely to be much further improvement here in the short term, unless the pound weakens against the dollar; and with newspapers and magazines (strong performers in the first half) likely to suffer in the second from labour troubles and a fall-off in advertising, hopes for the year rest on the long order books of the construction subsidiaries, and the erratic income of the property side.

This latter could surge if the Chiswell Street development deal goes through; but failing that Trafalgar House should still make something in the region of £48m (ex ship sales) for the year, as against £41.7m last time. On the forecast eight per cent improvement in the dividend the shares at 69½p yield 10.2 per cent, and would be on the low side were the individual constituents of the p and l account rather more predictable.

·rand Met/Liggett

·looks like bargain

·contrast, Grand Metropolitan, while not ·te home and dry in its quest for Liggett, ·ms to have a bargain. Only at first glance ·es an increase in price of 38 per cent ·m $50 a share to $69 or $570m look steep. ·iggett's pretax profits this year could be ·nd $100m, remembering that the sale of ·stin-Nichols to Pernod *exchanged only* ·5m of annual profits or so for a solid ·7.5m cash which can earn 12 per cent at ·esent interest rates (nearly $12m).

·Including its initial stake in Liggett, ·and Met is spending $600m, and paying 12 ·r cent on this, or $72m. So Grand Met is ·profit on the deal from the word go, and ·ys that way even at 15 per cent.

In terms of the gearing of borrowings to

Nationalized industries: the need for more financial flexibility

Sir Peter Parker, Chairman of British Rail, argues that backing winners in the public sector is as important as anywhere else

I remember saying to Mr Tony Crosland when I was being "*railroaded*" *in 1976 that this* was the first time I had moved to a job where no one could *tell me what winning meant.* That first question remains crucial. Has a nationalized industry a chance of winning?

The Nationalized Industries Chairmen's Group accounts for 10 per cent of United Kingdom output and employment and about 25 per cent of industrial investment. So our success as wealth creators must be an essential component in the success of British industry as a whole.

The individual industries are very different one from another, trading in different markets and in different circumstances, sometimes even competing. But one thing they do have in common is that the Government is their banker.

In my experience there are at least two prerequisites for a successful relationship between a nationalized industry and the Government. First, there should be complete trust between the *Minister* and the Board, in particular the chairman.

Personalities are of great importance. This is true of business relationships in both the public and private sector and it is particularly so with one's banker.

Secondly, there must be agreed objectives, clear, attainable and understandable. Winning should be possible for a nationalized corporation, even if the prizes have not been glittering hitherto. Whatever the secrets of management success may be, they include stimulating incentives, morale and pride of achievement.

Of course, financial controls are essential. But controls are just that—controls. Like patriotism, they are not enough in any organization; they do not inspire.

Indeed, you can "end up with the snaffle and bit and you have lost the bloody horse". However, for the moment it is critical in terms of public confidence and targetry to refine the essential financial controls under which the national business sector must operate.

They have figured large in *the regular meetings which my* colleagues and I in the Nationali:ed Industries Chairmen's *Group have been having with* the Chancellors of the previous Government and of this. After the last meeting a joint working party was set up under the chairmanship of Mr William Ryrie, Second Permanent Secretary to the Treasury. I see *this both as an endorsement of* the urgent need to review our financial frameworks and an *encouragement.*

It would be heartening to see developing from this initiative *more commercial flexibility,* more elbow room for the businesslike handling of the cash we have.

It is not simply a question of asking for more. I hope the *working party will look at the* possibility of subdividing the public sector borrowing requirement to segregate *nationalized industries'* borrowing for profitable investment from other categories of *public* spending and borrowing: It should also examine a more flexible operation of the system of external financing limits and a relaxation of the restrictions on our sources of finance.

Over the past 15 years or so the private capital market has demonstrated remarkable technical ingenuity in devising new forms of medium-term finance. This is in enviable contrast to the constraints on the commer*cial activities of public enter*prise. We badly need the same imaginative responses in public *sector financing* if we are to make the most of any public sector element in the economy.

The aspiration of a public enterprise must be to earn public confidence for a separate approach on profitable investment and a loosening of restric*tions on our access to finance*—naturally on the basis of commercial prospects and a good *track record.*

So there is a need to simplify the multiplicity of financial *controls that harness us.* This could be emerging now in the understanding of the primacy *of the medium-term financial* target with one-year external financing limits (EFLs) being *largely consequential in* character. This could be a framework of success—"delivering *within the EFL*".

This, in the limited short term, could help. For instance, *if British Rail can live within* its EFL, what is the point of the further constraint of an investment ceiling on capital expenditure? This could give a sharper focus in the short term, to other successes within the financial frameworks, which seem to get blurred in the steady drizzle of criticism about our public businesses. Let me take BR's 1979 results as a case in point.

Item: BR has bettered its fin*ancial targets set each year* since 1976 under our contract with government to provide passenger services. That betterment amounts to a total of £147m. *Put another way, BR* costs the taxpayer 17 per cent less in real terms than five *years ago.*

Item: we have operated our freight and parcel businesses without government payment and lived within our external financial limit.

Item: we are winning back passengers. The 19,900 million *passenger miles notched up* in 1979 was the highest for 18 years. And in 1961 the rail net*work was 30 per cent larger and* the car population less than half of what it is today.

It is in the perspective of the external financing limit that the results of our pay deal this year must be judged. Last month we reached a crucially important pay settlement after what one of the trade union leaders described as the toughest negotiations he had experienced. In 1979 we achieved an exceptionally tight deal on pay which in the event of rising inflation further depressed our pay rates in comparison with our competitors for labour. In restoring our balance in the market we have also made a breakthrough in specific action to streamline our operations in the freight, parcels and administration areas of *our business and to improve* the quality of our booming passenger services — that is where we *want to recruit* and retain people (our turnover last year was 24,000).

The unions are committed to immediate progress on rationalization schemes and to continuing negotiations on changes in working practices and agreements which create great opportunities for the future expansion of railways. It was a deal of change and a great deal of change will come through as a result, in the fulfilment of our *freight development* plans and in the improvement of quality. In determining the settlement our commitment to the 1980 external financing limit has been the backbone of the negotiation.

Yet our problem is that of any large corporation—reconciling short-term with long-term objectives. Railways are not a *one-year* activity, we are a lifetime business.

There is something of a railway renaissance throughout the world as the implications of the energy crisis work through into our daily lives. In railways there is a long lead time between planning and fulfilment and that is the reality that must be reflected more sensibly in the *financial control system.* The sheer scale of public investment in public enterprise argues for *some flexibility here.*

We need to be able to take one year with another, as in fact the statute *suggests*; and this means, for instance, having some flexibility, possibly in some form of *roll-over* provision to apply from year to year, possibly in the use of reserves, possibly in a wider scope to lease assets. Some adjustments would be businesslike and realistic.

My stand is nothing to do with rattling a begging bowl. I argue for a more businesslike relationship with the nationalized industries so that where they are successful, and are seen to be so, we can help success build upon success. Even minor and marginal changes will give helpful elbow room.

The government's present plans for the next four years rely heavily on improved performances by nationalized industries—an improvement of £2,700m. It is help in that *proper and ambitious direction* that is wanted. Backing winners in the public sector is as impor*tant as anywhere else.*

How Sweden sorts out its priorities

Technology

An ambitious attempt to forecast world trends in technology and find a pattern of priorities that matches Sweden's industrial resources has been made by the Royal Swedish Academy of Engineering Sciences (IVA). The result of this work is included in a detailed report, *Technical capability and industrial competence,* which has begun to influence government *policy in education* and in the management of research and development.

In its broad approach and realistic assessment of national strengths and weaknesses the *Swedish project has lessons* for the United Kingdom. The British Government has no shortage of reports calling attention to weaknesses of various kinds—in robotics, semiconductor applications, biotechnology and computer-aided design and manufacture, for example, to judge from recent reports by the Government's Advisory Council for Applied Research and Development.

Also the various sector working parties and committees of the National Economic Development Office have repeatedly diagnosed the ills of specific industry sectors and called for remedial R and D.

But the overall effect of these and other reports is bewildering rather than illuminating. How *can realistic national priorities* be identified in the face of all these fragmented claims for *attention? Perhaps the Central* Policy Review Staff should have attempted the task, but no single group (governmental, professional or academic) could complete such an analysis unaided.

What Sweden has done is to draw on the collective wisdom of the distinguished engineers and scientists who form the membership of the IVA, one of the country's learned societies. This was supplemented by work contracted out to other bodies and by visits by IVA members to many other countries.

In their investigation of future areas of technology which would be important to Sweden, *the IVA team found that these* subject areas fell naturally into five categories. These were:

1. Technical and Scientific knowledge which is important for industrial work;
2. broad development of advanced technology;
3. concentration on advanced technology for components, equipment and systems;
4. *methods and systems for in*creased efficiency in use of resources and for environmentally beneficial forms of production; and
5. development of technologies and know-how for important social systems.

Within each of these groups the degree of importance for Sweden of the technologies *concerned has been subdivided* into "*very important*", "moderately important" or "of limited importance". And, of the various items listed, some offered market opportunities for product development in the short term, while others would be more the subject of long-term research. These were the dimensions of the overall analysis.

Energy-saving technologies for industry and district heating receive high priority in the report.

In electronics, Sweden must have a basic competence in developing very large scale integrated circuits and optical communication systems. Mass production of integrated circuits is not a realistic aim for Sweden, but custom-designed circuits should be produced.

The new microelectronics must be introduced in practically all segments of industry, the IVA says (a point echoed in many a report published in Britain over the past year).

Biotechnology and genetic engineering are identified as an important and rapidly develop*ing area in which Sweden must* be active.

In materials sciences, Swedish industry must continue to keep a leading position in metallurgical processes.

And so the analysis continues. Environmental technology; health care technology; and technology for agriculture and forestry, production, and for construction and building are also included in the priority areas. In each case the report *assesses the country's present* strengths and weaknesses and its future needs.

To implement the required work the academy urges a national industrial policy in which the private and public sectors work together and innovation is supported. Choice of technologies and of business areas lies with the companies; large governmental projects to boost new areas of technology are *not* favoured.

In another report submitted last year to the Swedish Government, the National Commission for Industrial Policy *argues that the main role* of the state in technological development should be to contribute towards "*a general competence* and a general economic, social and political environment which is favourable to initiative, enterprise and creativity".

But, in certain areas, this general "environmental" help will need to be supplemented by specific actions. In particular, government orders for high-technology products and systems could stimulate new areas *in* the future as had happened in the past

But the commission shares the academy's distaste for the idea of government support for *specific products or processes.* "Pluralism is a basic prerequisite for the major innova*tions, the surprises, the absolu*tely unplanned, the unique, to evolve."

In the view of the commission, the three technologies that are potentially most significant for Sweden's industrial future are information technology, microelectronics and biotechnology. In these areas the required investments are so high that state support is believed to be inevitable. Energy is already the subject of a substantial R and D invest*ment programme.*

As the recent referendum on the country's nuclear power programme indicates, Sweden is increasingly seeking to involve the population at large in matters of technological choice. But such participation needs to be well-informed; thus policy analyses such as those of the IVA and the National Commission are doubly important.

"Technology needs the understanding of the people", *commented* Dr Gösta Lagermalm, senior policy adviser to the Swedish Board for Tech*nical Development* (which commissions nationally relevant research in industry) in Stockholm last week. "It is possible to turn social problems into new opportunities for industry, and create new employment."

Kenneth Owen

Business News Diary: Costa del Zimbabwe ● Canine capers

·hile the plans of the holiday ·nt Cosmos to run package ·lidays to China seize the ·adlines, the Bromley-based ·mpany has further schemes ·r *consolidating its position as* ·itain's second biggest tour ·erator.

Cosmos director Stuart ·derman is just back from ·at he reckons to be one of ·e most promising tourist ·eas still unexploited in this ·rinking world. Should he get ·s way, the next destination to ·pear in a Cosmos brochure ·ongside *Torremolinos* and ·king will be Zimbabwe.

"It's the most marvellous ·ace", Alderman told me yes·rday. "We can't wait to get ·"

But wait they must, and for ·asons which for Alderman, ·ho masterminded the group's ·try into the Far East, must ·particularly galling.

They are confident that ·mbabwe will be a big attrac·n to *British tourists and they* ·e equally sure that expatriates Zimbabwe, wanting to see the ·d country, will flock to fill ·e planes returning to London ·ter bringing United Kingdom ·sitors to Salisbury.

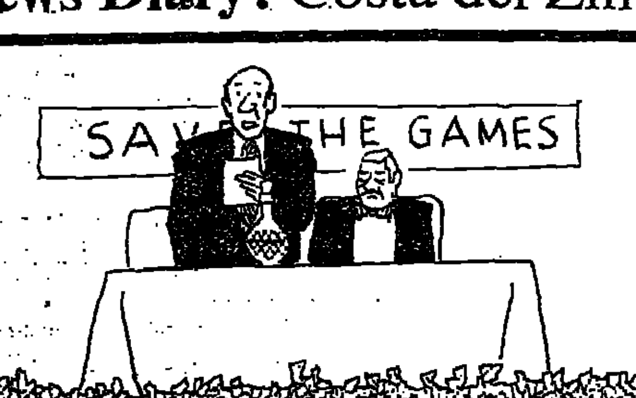
The problem is that air fares ·tween the *United Kingdom* ·d Zimbabwe are zealously ·otected by a watertight ·itish Airways and Air ·imbabwe agreement. All this annoying to Alderman, who ·as a BA general manager— ·nd came up with its successful ·peedbird *package* holiday ·cheme—before he joined ·osmos.

"I'm very bitter about the ·hole thing", he confided ·uring yesterday's launch of the ·osmos winter brochure. "All ·ritish Airways seem to want to do is to charge the highest fare possible. We've asked them to quote for a number of the *routes we* want to fly and when their estimates arrive they're always £100 higher than anywhere *else.*

"Since the merger (between BEA and BOAC) it has just become an enormous political organization."

Alderman heretically for a former BA man, now fervently hopes that some of Sir Freddie Laker's notions *will be applied* to the Salisbury route. If they are not, he hints that Cosmos *will simply negotiate a cheaper* deal with the Zambian airline, fly its tourists into Lusaka and take them over the border into Zimbabwe by coach, thereby *depriving the operators of the* Salisbury run of a good deal of potential custom.

What is more, I think he means it.



"Politics and sport must be kept separate an dthat is why we should encourage the Afghans to go to Moscow for the Olympic Games."

● Fellow haters of this planet's four-legged *tail-wagging* population will be gratified to learn that the Germans have come up with a solution to the canine race's most offensive manifesta*tion of its presence.*

Kartonagenfabrik Annweiler, a family-owned packaging company *situated near Pirmasens in* the state of Rhineland Palatinate, is setting up vending machines up and down the country aimed at ridding the streets of doggy do.

The canine aftercare kit costs 12 pence, hardly a high price *to pay for the knowledge that* one's brogues may step safely, and the company has installed between 70 and 80 machines over the past 18 months.

One problem did arise for the Business Diary correspondent who, overcome by this wondrous invention, paid his 12p and did the honours for his own Fido. After carefully carrying our the instruction on the kit and bagging his first quarry in the stout paper bag provided, he was somewhat perplexed to *find that there was nowhere to* deposit the offending parcel.

● Another little wheel of fate is turning in Africa. Jonathan Wallace, publisher of the successful *Middle East Economic Digest*, and grandson of journalist and thriller writer Edgar Wallace, founder of the *Rand Daily Mail*, this week launches a new sister magazine to *MEED*, the *Africa Economic Digest.*

Wallace says that the magazine's aim *is* to "compress into one weekly journal the business and economic developments of the Africa continent to assist businessmen in both Africa and outside".

AED is edited by Peter Robbs, an old Africa hand, with a staff of seven writers in London, and 18 stringers across the no longer so dark continent, most of whom are Africans. The coverage in the *first 32-page number includes* an interview with Robert Mugabe and features on the economy of Zimbabwe, the OAU's economic strategy, and cocoa prices. There is a news roundup country by country.

With an annual subscription in the *United Kingdom of* £110, Wallace expects that most buyers will be companies, as is true of *MEED*. *AED* hopes for 1,200 subscriptions by the end of the year and has 800 already. The eventual circulation is expected to be about 5,000. Launch costs in the current financial year will be £272,000.

● Now for a spot of unseasonal news. Christmas savings and loan clubs, such as are operated by many a pub and corner shop, may have become illegal.

Under the Banking Act deposit-taking businesses have required Bank of England *approval since* April 1 and the average Christmas club does not reach the rather rigorous requirements set by the bank

Some small and informal Christmas clubs, which do not make loans and do not use the money they hold to finance any other activity (even a coach outing), probably do not fall within the description of "*deposit-taking* business"; but larger ones, which stay in existence from year to year, occasionally make loans and are willing to take deposits any day, almost certainly do and so are now operating illegally.

The solution, the National Consumer Council *suggests*, is for all Christmas clubs to register as credit unions, because credit *unions*, while subject to their own regulating legislation also enacted last year, are exempt from the Banking Act.

The latest edition of the Master Butcher, *organ of the Dublin Master Victuallers' Association, throws interesting light on the social customs of Irish meat traders. According to the magazine, there is a rule at one Hibernian butchers' guild dinner that "admittance of ladies is confined to a special annexe and then only wives of members are allowed in. Mistresses of members are not admitted unless they happen to be wives of other members".*

David Hewson

FINANCIAL NEWS

Stock markets

Equities dip as profit-takers move in

Profit-taking among oils spoilt what had been a confident start by the remainder of the market yesterday.

Prices had been mostly firm at the start of the session with dealers hoping for further benefit from the hectic trading in oils. However, the speculators in oils had other ideas, with most taking the view that they had reaped enough from their efforts. As a result, recent gains soon began to diminish and this rapidly spread throughout the rest of equities.

Nevertheless, jobbers were able to report continued active two-way trade in oils, with some buyers still in evidence. The story for the rest of the market was not so rosy with buying gradually drying up.

So, after starting the day 0.8 up, the FT Index closed 2.2 down at 437.8.

In gilts, the story was again one of consolidation following further bearish news. Prices had fluctuated between narorw levels for most of the day, but one or two large orders managed t ostave off the gloom which surrounded the latest banking figures.

Most observers had been expecting a figure of around £1 billion, so the £1.55 billion came as quite a shock in some quarters. But the general tone remained firm and showed little sign of buckling even after the Prime Minister had reiterated the Government's decision not to reduce MLR in the near future.

In the event, longs closed mostly at overnight levels, while at the shorter end, falls of between £⅛ and £¼ were reported.

ICI continued to hold the limelight among leading industrials, helped by its oil interests ahead of first-quarter figures next week. But profit-taking left the price 6p off at 388p. Dunlop again attracted Far Eastern buying, although the figure of 250,000 shares was a lot lower than the previous day's figure of 3 million. As a result, the price closed unchanged at 70p. Interim figures from Trafalgar House were well received and the shares firmed ½p to 69½p. Fisons also made progress, rising 2p to 289p, but Unilever dipped 3p to 410p, along with Beechams 1p off at 115p.

Speculators in the Carless Capel/Candecca oil strike are now turning their attention to another member of the enterprise, Canadian-based Sceptre Resources. The group currently owns 44 per cent of Candecca along with 2.2 per cent of BP's stake off the West of Ireland and acreage off Yorkshire. The shares, quoted under rule 163 (2), held firm at 520p yesterday.

Despite profit-taking in oils, institutional activity continued to keep the sector bubbling. BP fell 10p to 344p in majors, following the gas find in the North Sea earlier in the week. Shell in the same boat retreated 6p to 378p but Ultramar held firm at 326p.

Others to lose ground included Attock, 2p to 266p, Siebens 23p to 923p, after 890p, Tricentrol 8p to 360p, Lasmo 12p to 656p, Berkeley Exp 6p to 200p and KCA Int 3p to 90½p. But Century Oils bucked the trend, up 8p at 157p, along with Clyde Pet 10p better at 580p and British-Borneo 2p to 306p.

Profit-taking also saw some of the oil-related shares run for cover, with I.C. Gas 8p off at 842p and Cawoods 12p lower at 198p, while Carless Capel held steady at 164p.

Shares of Home Farms made their debut yesterday at an issue price of 55p. They were well received and, after some active trading, closed at 74p, after reaching 78p.

A strong list of companies reporting kept dealers on their toes with a note of mention for Holt Lloyd Int, which leapt 17p to 239p following increased profits and a free share handout. Full-year figures from European Ferries were also well received, being £1m above most estimates, giving the shares a 3p fillip at 130p. Others to receive favourable mention were Kwik-Fit 2½p to 68½p and in banks Cater Ryder 2p to 339p.

In electricals, speculative attention was directed at Currys 7p higher at 176p amid suggestions of a bid from Comet Radiovision, unchanged at 93p. But any idea of a link-up was quickly scotched by Mr Michael Hollingbery, chairman of Comet.

Elsewhere on the takeover front, Grand Met. slid 3p to 121p on news of its increased offer for Ligget, with Imps shedding 2p to 76½p on deciding to proceed with its bid for Howard & Johnson. George Ewer advanced 1p to 51½p after receiving terms from T. Cowie, unchanged at 40p. But British Sugar shed 8p to 198p after suggestions that the bid from S. & W. Berisford, 5p off at 136p, was bound to founder.

Speculative support also helped STC 8p higher at 302p, Neil & Spencer 3p to 111p, Reo Stakis 3p to 43p and Royal Worcester 4p to 246p. Oil interests also spurred Nat. Carbs. 3p to 117p and A. Caird 10p to 150p.

Shares in Berec Group, the batterymaker, have moved mainly on takeover rumours in recent months. But results due today could change that. Profits are likely to be better than current market expectations of around £16m despite the appalling first half, and further recovery is likely in 1980. The shares are 107p.

The recent improvement in profits and the scrip issue saw United Scientific claim anoth 12p at 515p as fears that Arm Chemicals would fail to me its forecast saw the shares 6p to 76p. However, Alpi Holdings staged a recovery aft recent weakness, rising 6p 70p.

In insurances, the fi quarter figures from Gener Accident failed to march e pectations with the shares fa inv 14p to 242p. This, in tur hit Sun Alliance 18p to 57 Commercial Union 3p to 12 adn Royal Insurance 12p 333p.

Equity turnover on May was £133.654m (13,172 b gains). Active stocks yesterda according to the Exchange Te graph, were Lasmo, KC International, Premier, B Tricentrol, Hambro Life Assu ance, R.T.Z., Bass Charringto Consolidated Gold Fiel Christies International, GE House of Fraser and ICI.

Latest results

Company Int of Fin	Sales £m	Profits £m	Earnings per share	Div pence	Pay date	Year's total
Assos Paper Inds (I)	21.5(19.5)	0.25(0.87)	—(—)	1.21(1.21)	10/7	—(—)
Baggeridge Brick (I)	2.87(1.95)	0.27(0.22)	5.3(2.6)	1.25(1.25)	6/8	—(—)
Brit-Borneo Pet (F)	—(—)	1.59(0.82)	22.8(11.1)	6.25(7.17)	—	9.5*(10.9
British Northop (F)	1.7(3.1)	0.63°(0.11)	36.9°(4.5)	nil(2.0)	—	—(—)
Carless Cpl Lnn (F)	63.7(2.58)	6.27(2.58)	10.1(5.2)	1.7(0.62)	—	3.18§(1.0
Caler Ryder (F)	—(—)	0.98†† (1.5††)	—(—)	16.7(14.7)	3/7	21.0(19.0
Dorankande Rbbr (F)	—(—)	0.04(0.02)	4.0(2.7)	2.0(—)	—	2.75(2.25
European Ferries (F)	171(152)	27.0(25.9)	23.2(22.7)	3.0(1.98)	—	4.5(3.0)
Foster Bros (F)	89.8(67.8)	10.7(9.7)	12.9(12.6)	2.18(3.4)	15/7	—(—)
J. Foster (F)	14.16(15.74)	0.22(0.88)	1.5(12.6)	0.5(1.5)	9/7	2.0(12.5)
John Folkes (F)	74.4(67.5)	3.88(3.50)	—(—)	1.26(1.0)	7/8	1.76(1.5)
Gen Accident (Q)	—(—)	13.3(5.5)	—(—)	—(—)	—	—(12)
Hoet Lloyd (F)	50.0(35.1)	5.03(3.51)	30.94(18.22)	5.0(4.25)	31/7	9.5(7.75)
Heal & Son Hldgs (F)	11.3(12.8)	0.19°(0.49)	—(—)	nil(nil)	—	—(—)
Hunting Assoc (F)	124.0(103.0)	6.3(5.9)	—(—)	2.5(1.39)	—	5.0(2.39)
Indst & Gen Tst (F)	11.8 (9.6)	6.6††(4.7††)	2.74(2.21)	1.85(1.45)	20/6	2.75(2.15
Kiwik-Fit (F)	15.8(11.5)	2.0(1.14)	8.75(7.6)	0.7(0.52)	—	1.34(0.92)
W. Leach (F)	51.6(31.3)	3.02(2.34)	17.33(13.26)	3.3†(—)	20/7	—(6.61)
Lee Cooper (F)	69.9(56.8)	9.2(6.5)	41.9(27.7)	2.25(1.4)	7/7	3.65(2.23
Lloyds & Scottish (I)	—(—)	11.0(12.2)	5.22(5.43)	1.87(1.87)	1/8	—(—)
Newman Indst (F)	70,231(70,800)	378(6,220)	7.2°(16.5)	—(—)	—	—(—)
Prince of Wls Htl (F)	5.39(4.2)	0.47(0.5)	12.28(10.06)	0.9(0.68)	18/7	1.71(1.14)
Utd Engineering (F)	13.4(9.9)	2.3(1.5)	10.1(7.7)	2.3(—)	10/7	3.6(2.43)
Warner Estate (I)	3.38(2.6)	0.76(0.55)	3.16(2.6)	3.0(1.6)	2/7	—(—)
Whitbread Invst (F)	—(—)	3.4(3.0)	5.67(4.6)	3.52(2.90)	—	5.5(4.5)
York Trailer (Q)	11.31(8.34)	0.19°(0.08°)	—(—)	—(—)	—	—(1.97)

Dividends in this table are shown net of tax on pence per share. Elsewhere in Business News dividen are shown on a gross basis. To establish gross multiply net dividend by 1.428. Profits are shown pre-t and earnings are net. *, Excludes special dividend of 7.25p. †, second interim. ‡, first quarter. °, lo §, including 0.68 non-recurring dividend. ‖, gross income. ††, net.

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mstrong uipment sclaims ristry bid

semary Unsworth

board of Armstrong ment has made it clear has no connection with mon and Coates bid for y Brothers, the Chelms- ased engineering group.

ier this week, Simon and announced that it was as principal in a bid valued Christy at 00 and that Mr James managing director of rong Fastenings and Light eering, would be ap- d to the Christy board e bid was successful. 's plan was to sell the , for which it was offer-)p, compared with a 23p price before the an- ement, to its investment s.

Jesse Hooper, Armstrong's nan and managing direc- said yesterday that Mr had since resigned from oup "because he realised was a conflict between his nterest and the job he was with us."

added that Mr Dyer would id an adequate part of his ement this year in the way ecial bonuses.

Mr Hooper stressed that d no prior knowledge of oid or of Mr Dyer's in- ment with Christy until y before the announce-

Dyer and his wife each 97,500 Christy shares out otal of 360,000 which were by Simon and Coates' s before the bid.

General Accident first quarter disappoints

By Peter Wilson-Smith

General Accident disappointed the market despite more than doubled profits in the first quarter of 1980 and the shares fell 14p to 242p yesterday.

Profits increased from £5.5m *to £13.3m before tax, but this* compared with City expectations of nearer £17m.

Although in common with Royal Insurance and Commercial Union, General Accident has benefited from kinder weather conditions compared with the first quarter of 1979, the general business underwriting loss showed only modest improvement from £17.1m to £15.2m. The group blames adverse underwriting experience in most major areas of operation and higher salaries and pension contributions. General business net written premiums rose from £199.7m to £234m.

The United States. underwriting side *deteriorated* sharply, with the deficit rising from £600,000 to £3.2m, although premiums were a tenth *higher at $166m.* Elsewhere overseas, Canada and Brazil improved but all the European territories except The Netherlands *deteriorated. The solvency* margin worldwide was 51 per cent at mid-May compared with 52 per cent at end-1979.

In the United Kingdom, which suffered particularly from higher operating costs, underwriting losses were cut from £11.9m to £9m after a 22 per cent increase in premiums to £106m.

However, the impact of inflation, higher VAT on repair costs and larger personal injury awards pushed up the motor account deficit by £900,000 to £5.6m. Industrial property suffered from the increase in major fire losses, but results from all other major accounts were satisfactory.

The *first-quarter profits* were underpinned by a £5.8m rise in investment income to £28m and this continues strongly. However, *Mr David Blaikie chief* general manager warns against assuming that "the currently favourable conditions will continue throughout the remainder of 1980." On the underwriting prospects, he comments: "As inflation continues to rise on a global scale, underwriting profits are becoming increasingly difficult to obtain in the world' leading insurance markets."

Euro Ferries' difficult year

By Michael Prest

Extraordinary freight losses, the haulage and engineering strikes, and computer problems prevented European Ferries' 1979 pretax profits from rising by more than £1.1m to £27m.

But extraordinary gains of £3.36m on foreign currency loans, partly balanced by extraordinary losses on unlisted investments and subsidiaries, resulted in after tax profits of £26.6m, some £6.5m more than in the previous year.

Broken *down* division by division, the results show pretax profits of £16.6m (£18.3m in 1978) for shipping, £2.1m (unchanged) for harbours, and £8.1m (£5.3m) for property and financial services.

Mr Keith Wickenden, European *Ferries' chairman,* says the haulage strike cost about £750,000 in lost profits, while the engineering action, through its effect on *exports,* cost "several hundred thousand pounds". Problems with the booking computer, now sorted out, added £600,000 to the wage bill and cost an unknown amount in lost business.

The bad debts in shipping, amounting to £1.5m, arose from two freight companies going out of business. Some of the money should be recoverable. Competition in the ferries business meant that the company was not able to raise prices fast enough entirely to offset higher fuel costs. About £2m of the fuel bill could not be won back.

Interest charges fell from £4.67m to £4.27m, reflecting a sharp decline in gearing. Shareholders' funds at the end of the year were £115m compared with £93m in 1978, while borrowings were £48m against £54m.

Earnings per share went up *from 22.7p to 23.2p. At the* same time, the gross dividend for the whole year was raised from 4.44p to 6.43p.

Rivington Reed goes into receivership

By Catherine Gunn

One of Mr Graham Ferguson Lacey's numerous interests, the beleaguered carpet spinning and textiles group Rivington Reed has gone into receivership. The shares were suspended on Wednesday.

At the board's request, the bankers appointed Messrs W. G. Mackey and J. Warren of Ernst Whinney as receivers and managers at 10.00 am yesterday. Mr Ferguson Lacey owns 28.3 per cent of the equity.

Rivington Reed has had growing problems since it went into carpets in late 1977 in the belief that the carpet industry was about to stage a recovery.

For a short time it looked as though the company had got it *right.*

But the carpet industry did not recover, and mounting losses from the carpets division *knocked* Rivington's March 1979 profits down from £862,000 to £279,000. By the September interim stage, the group was *in deep water with losses of* £516,000. Dividends were passed and the share price collapsed. *Some* shareholders hung on in hopes of a bid that never came.

Then two of the previously profitable textile companies ran into difficulties. Group losses could now be running at £1m. The group's cash flow could no longer cope with bank interest charges that were already running at over £800,000 in March 1979, when borrowings were £4.14m and creditors were owed £6.77m. Net assets then stood at £10.95m.

Lee Cooper manages 42pc rise

On the back of an increase in turnover from £56.8m to £69.9m, pretax profits of Lee Cooper Group rose 42 per cent to £9.2m in 1979. After charging £881,000 of extraordinary items, compared with a credit a year *earlier* of *£676,000,* net profits are £3.99m against £3.90m. The board proposes a one-for-three scrip issue.

Earnings a share are 41.9p against 27.7p while shareholders are to collect a dividend of 5.21p gross, compared with 3.18p last year.

The board of this jeans and causal wear group is pressing ahead with its expansion programme, in spite of the worldwide trade recession.

The directors note that the strength of the pound depresses profits, particularly as 85 per cent of turnover and profits come from overseas. However, in 1980 a "reasonable results" is expected.

In particular, the group has made considerable progress in dealing with the problems at George M. Whiley and this has been reflected in much improved results.

Empire Stores £1m advance

Empire Stores (Bradford), the mail order group with around 6 per cent of the market saw pre-tax profits rise from £8.1m to £9.1m last year. The annual report indicates that the group may witness a 10 per cent or so fall in the first half of this year, as recession and industrial unrest curb the growth in sales, while costs, especially postage, outpace inflation. The group is aso vigorously recruiting agents.

It also looks as if Empire will be raising new money in the next two years. Granting customers 26 weeks free credit and sending goods on approval is a cash-hungry business.

Associated Paper slips but holds payout

The board of Associated Paper Industries is holding the interim dividend at 1.73p gross for the half-year to March 31. Turnover of the continuing operations went up from £19.58m to £21.57m and that of *Vale Board Mills* from *£2.48m* to £2.52m.

Pretax profits were £256,000 against £873,000 and comprised a *profit from continuing* operations of £968,000 against £1.06m, and a loss of £712,000 from Vale Board Mills compared *with a loss of £193,000.*

The Board says that the results of the continuing operations show only a small decline, against the comparable period last year, notwithstanding the effect of excessively high interest rates.

Hunting Associated raises dividend

For 1979, Hunting Associated Industries is more than doubling its total dividend to 7.14p gross, against an adjusted 3.41p gross for 1978.

In 1978, Treasury approval was sought for a final dividend of 2.05p, but aproval was given for a payment of only 1.98p; the 1979 dividends take account of the difference. In 1979, turnover rose from £103.08m to *£124.06m* and pretax profits from £5.9m to £6.33m. Profits do not quite show the improvement expected, the board says; *the main shortfall* resulted from the costs of supporting the newly-acquired Channel Islands associate. But these problems have been largely contained and 1980 has got off to a reasonably good start.

Poor Christmas for Foster Bros

The VAT increase and the poor Christmas trade affected sales of Foster Brothers Clothing in the year to February 29. However, they still managed to expand by a third to £89.83m. Pretax profits edged forward by *nine per cent to £10.71m.* The total gross dividend is being raised from 3.62p (adjusted) to 4.55p. Foster's board reports that the current year will be difficult for all retailers, but it believes the market sector the group concentrates on will perform better than others. Group sales for the first nine weeks are 15 per cent up on last year.

Mettoy taking severe measures

Mr A. Katz, chairman of *Mettoy* states in his *annual* report that the liquidity pressure in this country is having its effect on the toy *industry.*

The company cannot go on building up stocks which could prove to be excessive, and has had to take measures, unpleasant as they are, to reduce staffing.

In addition to these steps, other severe measures are being taken to reduce overheads.

It is on the speed with which these tough new targets can be acheived that this year's profits will depend.

CCA accounts show a pretax *loss of £772,000 against a profit* of £2.72m. Historical results showed a profit of £723,000 against £3.64m.

tock Exchange irplus jumps 94pc

osemary Unsworth

e Stock Exchange improved urplus by 94 per cent to 1 last year, while its income 28 per cent to £25.68m.

Nicholas Goodison, the man, said in the annual t that although it had been r of some uncertainty with major mergers, and infla- adding considerably to , it had ended with a hy balance sheet.

e £2.3m surplus declined to 1 in the current cost nting statement, while net s increased from £53.5m to m in the year ending h 24, 1980.

e introduction of Talisman, central settlement system, uced income of £4.9m with nditure amounting to £6.2m almost one year of use. the end of the year it had built up from the initial er cent bargain volumes. *, to cover more than 95 per* of domestic equity busi- "

Goodison added that *ced operating costs and* ded service levels were being planned.

e compensation fund h *stands* at £1.28m, com- d with £1.38m last year, saw receipts exceed payments by £5,000, while the market value of investments fell by £108,000 to £1.3m.

Although the outlook for individual investors has improved since the last two budgets, government borrowing is still a main concern. "Despite the Government's commitment to a steep reduction in the public sector borrowing requirement, the outstanding national debt by now will be in the region of £95bn", said Mr Goodison.

The effect of this high level of borrowing has been to reduce the funds available for industry and commerce, he pointed out. "Gross new issues by United Kingdom-listed companies in 1979-80 totalled just over *£1,200 million* compared with just under £1,400 million the previous year. Until the borrowing is brought under *control there will be little* growth in long-term and new issues", he added.

But he welcomed the ending *of exchange controls and said* the removal will have a far-reaching effect on securities markets. "There will be the inevitable investment of savings in foreign assets.

eltrust to raise finance

ltrust Holdings, the Austra- mining company controlled *election Trust, will be rais-* extra capital before the end ie year, Mr John Du Cane, hairman, said in his annual *ment yesterday.*

e admitted that the Agnew el mine had taken longer expected to meet financial ets and that the giant mt Newman iron-ore mine was performing well below capacity.

But he added that the company had to take a long-term view of these deposits, based on their mineral value. A greater participation than the present 21.2 per cent by Australian investors in Seltrust was neces sary, but issuing extra shares would have to wait for better financial performance.

FINANCIAL NEWS

No final as Newman Inds slumps

By Our Financial Staff

Newman Industries' profits last year plunged from £6.2m to £378,000 and, at the attributable level, from £2.7m to a loss of £3.4m. The final dividend has been passed.

The internal costs of the legal action by the Prudential, which left two Newman directors facing a damages bill for £450,000, have not been separated out, but the board comments that as well as the direct cost the action also resulted in the use of considerable management time and effort.

A breakdown of the operating profits shows electric motors declined from £1.6m to £179,000, engineering products from £2.05m to £1.3m, the Ardel Division was static at £4.05m and ceramics swung from a £992,000 profit to a £1.1m loss. Group turnover fell slightly from £70.8m to £70.2m.

Below-the-line, extraordinary items, including redundancy and closure costs, external costs relating to the Prudential action of £146,000 and a provision of £812,000 made against the value of overseas investment, totalled £1.8m.

The board outlines six key factors which affected the year's trading: the engineering strike which cost £1m, the trading recession which led to closures and redundancies in the ceramic and electric motor divisions, interest costs which rose from £2.2m to £3.6m, the strength of sterling which contributed to a fall in group exports from £26.1m to £21.9m, the cost of the legal action and problems in Iran and a review of in[...]ments in Africa.

Now there seems to be e[...]dence that the corrective ac[...] is working and the first qua[...] has seen improved performa[...] with a return to profitabili[...]

While acknowledging economic uncertainties and difficulty of forecasts, the b[...] says the maintenance of pre[...] performance would mean a [...]sible interim dividend this y[...] The interim dividend in [...] was 2.14p gross.

The results sent the sh[...] tumbling 7p to 42p yesterda[...]

Paine Webber dives into loss

International

Paine Webber Inc of New York swung heavily into the red in the second quarter to March 31. In spite of revenues more than doubling from $119.9m to $248.5m (about £109m), Paine Webber suffered a net loss of $10.2m (£4.45m), against a profit last time of $2.81m. For the first half-year, this meant a net loss of $3.2m, compared with the profit of $3.37m last year.

The 1979 figures do not include results of Blyth Eastman Dillon. Paine Webber said in April that it expected to report "a material loss" for the second quarter, stemming from operational difficulties following the merger with Blyth. The merger was completed on December 31. The operational facilities of the two firms were thus being consolidated in January and February—a period of record volume in the securities markets. As a result of the unfortunate combination of these factors, Paine incurred unusual expenses of about $17.5m, or $9m after tax, during the quarter.—A.P.—Dow Jones.

Trouble ends at Hesse

Hessische Landesbank Girozentrale, the once troubled bankers to the German state of Hesse and central bank to Hesse's savings banks, has, for the second year in succession reported improved profits. In 1974 the bank had got caught up in financial troubles and a new management was appointed.

Last year the balance sheet total grew by 9 per cent to DM49,000m (about £21,300m) and operating profits were up by 16 per cent.

The bank's published reserves rose by DM150m to DM1,086m. Dr Heinz Sippel, the chairman, sees further growth this year.

The bank is integrating into its own network the London branch of Investitions-und Handels-Bank, one of its subsidiaries.

All-time record for ITT

International Telephone and Telegraph Corporation of Illinois has reported record sales and earnings for the first quarter of this year and the highest quarterly earnings in the company's history.

Mr Rand V Araskog, president, confirming last April's preliminary estimates, said that operating earnings of $1.41 per share were 5 per cent higher than the 1979 first quarter.

Net income per common equivalent share, boosted by a 97 cents a share gain in foreign currency translation, rose by 63 per cent to $2.38 a share over the $1.46 a share in the comparable 1979 quarter.

The quarterly results also include a $13m (about £5.6m) tax benefit stemming from the recent enactment of the United States-United Kingdom tax treaty.

Xerox confident

In spite of economic uncertainties Xerox Corporation of America faces the remainder of 1980 "confident that we can achieve continued growth in revenue and profits", according to Mr David Kearns, the president.

Xerox previously reported an 8 per cent rise in first quarter net income of $148.4m (about £64.5m) or from $137.4m a year earlier. Revenue rose by 16 per cent in the first quarter to $1.86bn from $1.61bn a year ago.

Rebuff for Cavenham

Mr Walter J. Koslo, president of Diamond International Corporation of America says that in the opinion of the company's legal adviser the offer for the company's stock by a subsidiary of Cavenham Holdings violates the law.

Consequently, Mr Koslo said it is anticipated that a suit will be filed seeking to enjoin the tender offer.

T. Cowie warning on Ewer bid f[...] Eastern

T. Cowie, the motor dis[...]tor has warned shareholde[...] George Ewer, that its offe[...] their group will be red[...] from 55p to 52.5p a share i[...] Ewer board goes ahead [...] its proposed bid for Eas[...] Tractors.

The Stock Exchange [...] already ruled that the bid [...] Eastern Tractors does [...] necessarily have to be pu[...] the Ewer shareholders a[...] extraordinary meeting. If i[...] chairman Mr Tom Cowie [...] he would try to block the bi[...]

Ewer is offering 2,6m [...] shares for Eastern Trac[...] whose pretax profits to Au[...] 31, 1979 collapsed f[...] £308,000 to £10,000 on turn[...] of £17,6m. Net tangible as[...] which include some ma[...] interests, were £1.12m.

Mr Tom Cowie protests [...] with the agricultural machi[...] industry in a severely [...]pressed state, the additio[...] Eastern Tractors to Ewe[...] not an attractive proposi[...] and looks to him like a mo[...] block his group's bid for E[...]

The 2.6m extra Ewer sh[...] would dilute Cowie's cur[...] 29.9 per cent stake in Ewe[...] 26.1 per cent.

Life assurance business up

By Margaret Stone

Life assurance business in first quarter of 1980 was [...]stantially up on the same pe[...] of 1979, and overall a [...] better than in the last [...] months of 1979, although one or two areas sales [...] slipped slightly.

The biggest impetus has c[...] from new single premium [...]ness, up from £149m in the quarter of 1979 to £156m

Bank Base Rates

ABN Bank	17%
Barclays Bank	17%
BCCI Bank	17%
Consolidated Crdts	17%
C. Hoare & Co	*17%
Lloyds Bank	17%
London Mercantile	17%
Midland Bank	17%
Nat Westminster	17%
Rossminster	17%
TSB	17%
Williams and Glyn's	17%

* 7 day deposit on sums o[...] £10,000 and under 15%, u[...] to £25,000 15¼%, ove[...] £25,000 15½%.

Briefly

Lonrho announces proposals for amendment of trust deeds constituting its 8 per cent unsecured loan stocks, unsecured loan stock 1980.85 and 8 per cent convertible unsecured loan stock 1981 85. Proposals, which require the sanction of holders of both stocks, will also involve a 1-2 per cent a year increase in the rate of interest on both stocks with effect from June 9, 1980 and bringing forward of repayment dates by two years and six months to June 30, 1983.

MFI-Status Discount: MFI offer now wholly unconditional. Acceptances received in respect of 30.64m Status ordinary (79.9 per cent). MFI previously held 1.65m shares, 4.1 per cent offer remains open.

Prince of Wales Hotels: Dividend for 1979, 2.44p gross (1.62p). Turnover £5.39m (£4.25m). Pretax profit, £471,000 (£504,000). Eps 12.24p (10.06p). Revaluation of fixed assets has produced a surplus of £1.17m. Repairs, replacements and refurbishments have increased by £118,000 against previous year in pursuance of policy of upgrading its hotels.

Caparo—L.K. Industrial: Directors have purchased through market a further 61,000 L.K. Industrial shares (2.44p) at 16 1-2p cash and now own 50.01 pc of voting share capital. Cash offer of 16½p is being extended to remaining shareholders is now unconditional as to acceptances but remains unconditional solely upon offer not being referred to Monopolies and Mergers Commission.

Carter Ryder and Co: Profit after providing for rebate and tax and transfer to contingencies, £983,000 (£1.5m). Net dividend 21p (19.0782p including supplementary final of 0.19p).

Heal & Son Holdings: Turnover for year to January 31, £11.34m (£12.80m). Pretax loss £192,000 (£490,000). Again no dividend. Retail division increased its profits during year but group results were affected by high interest rates and a disappointing performance by the contractual division.

Warner Estate Holdings: Turnover for half-year to March 31, £3.38m (£2.607m). Pretax profit, £760,000 (£554,000). Eps 3.16p (2.63p). Net proceeds of sale of houses and flats is about £940,000. Interim dividend 4.28p (2.28p). Increase is partly to reduce disparity.

Industrial and General Trust: Gross income for year to March 31 £11.86m (£9.66m). Net revenue £6.61m (£4.73m). Eps 2.74p (2.21p). Dividend. 2.75p (2.15p).

Baggeridge Brick: Turnover for half year to March 31 £2.87m (£1.95m). Pretax profit £276,000 (£217,000). Interim held at 1.78p gross. Eps 5.3p (2.6p).

United Engineering Industries: Turnover for year to January 31 £13.37m (£9.96m). Pretax profit £2.31m (£1.52m). Eps 10.1p (7.7p). Final 2.3p making dividends, 5.2p gross (3.47p). Results do not include results of Cosworth Eng. acquired after year end.

Scottish Television: Chairman states in the annual report that during first quarter of 1980 advertizing revenue advanced by over 48 per cent over the same period in 1979 (a sluggish time for advertising). This year the company has received a certain amount of pent-up money from strike period but there are now signs that advertizing growth will slow down from now on and second half of year might well be less buoyant.

Queens Moat Houses has bought the freehold three star "Manor Hotel" at Banbury for £500,000 satisfied by issue of shares up to maximum of 1.7m with residue in cash.

Kwik-Fit (Tyres and Exhausts) Holdings: Turnover for year to February 29 £15.8m (£11.53m). Pretax profit £2.0m (£1.14m). Exchange loss £44,500 (gain £11,000). Eps 8.73p (7.65p). Dividend 1.91p gross (1.31p). Retail tyre and exhaust division increased its profit by 70 per cent and is now the largest independent retailer of tyres and exhausts in Europe.

Business appointments

Chairman of Royal Insurance reappointed

Mr D. Meinertzhagen has been reelected chairman of Royal Insurance, Mr John F. H. Baring has been reelected a deputy chairman, and Mr M. H. McAlpine has been elected a deputy chairman. Sir William Gorell Barnes did not seek reelection to the board. Mr J. A. Swire has resigned.

Mr J. R. W. Hampson has been named managing director of Brush Switchgear and is joining the board of South Wales Switchgear in succession to Mr D. A. Stack. Mr L. V. R. Smith, former managing director at Yorkshire Electric Transformers, will become managing director of Hawker Siddeley Power Transformers. The board of Yorkshire Electric Transformers, Dewsbury, has been reconstructed as follows: Mr T. W. B. Sallitt, chairman; Mr L. V. R. Smith, and Mr P. G. Pollock.

Mr A. K. Harrison and Mr R. T. Sykes have been appointed to the board of Allied Colloids Group.

Mr Eric Sidebottom has become managing director of PPD Engineering and its subsidiary companies.

Mr Norman F. Fosh has been appointed a director of Lombard North Central and deputy head of credit finance division. He will remain on the board of Tricity Finance.

Mr Frank Traynor has joined the board of Silvermines as chief executive.

Mr Eric McQuaid has become a vice-president of Diamond Shamrock Petroleum Corporation. He is in charge of the company's newly-opened London supply and trading office.

Lt Col C. R. Gray, a deputy chairman of the Dutton-Forshaw Group, has been appointed chairman. He will succeed Mr Ronald F. Hockin who has retired as chairman but will continue as a director until May next year.

Mr D. J. Wilkins has been named senior executive in charge of London currency and foreign exchange dealing operations at Midland Bank International. Mr C. J. Carless is now senior manager, London dealing operations, and Mr D. E. King is senior foreign exchange manager.

Mr Richard Venables, the chairman of Ogilvy Benson & Mather and a director of Ogilvy and Mather International has become chairman of the Apple and Pear Development Council.

Mr R. E. G. Sheppard has been appointed by Carl Schenck as managing director.

Mr D. C. Arbon, managing director of Walker Crosweller & Company has been appointed a director of its parent company, Reed Building Products.

Sir Hermann Bondi is to be the first full-time chairman of the Natural Environment Research Council for four years from October.

Newcomers boost Holt Lloyd

In the year to March 31, 1980, car-care group Holt Lloyd accelerated its expansion overseas. In France, it bought Pro-Combur SA, valued at £1.4m, at the start of the year for a mixture of cash and shares. In the United States it bought LPS Research Laboratories in June 1979, for $10m cash (£4.38m).

A rights issue raised £2.9m towards that. Borrowings and interest costs rose substantially as a result of these acquisitions.

More than half the year's 58 per cent rise in pretax profits to £5.63m came from these newcomers. Group turnover rose from £35.1m to £50m. The gross dividend at 13.6p is above the forecast, and yields 5.7 per cent at 239p. A one-for-two scrip issue is proposed.

M. J. H. Nightingale & Co. Limited
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The Over-the-Counter Market

1979/80 High	Low	Company	Price	Ch'ge	Gross Div(p)	Yld %	P/E
99	60	Airsprung Group	66	—	6.7	10.2	*3.9
50	26	Armitage & Rhodes	32	—	3.8	11.9	*2.1
275	185	Bardon Hill	275	—	13.8	5.0	*8.1
100	80	County Cars Pref	80	—	15.3	19.1	—
101	63	Deborah Ord	93	—	5.0	5.4	10.3
118	88	Frank Horsell	118	—	7.9	6.7	7.3
129	98	Frederick Parker	99	—	12.8	12.9	*4.5
156	102	George Blair	105	—	16.5	15.7	*—
70	45	Jackson Group	69	—	5.2	7.5	*4.1
153	107	James Burrough	107	—	7.2	6.7	9.4
300	242	Robert Jenkins	282	—	31.3	11.1	*9.0
232	175	Torday Limited	223	—	14.3	6.4	*5.8
34	11½	Twinlock Ord	13	—	0.8	6.5	*2.5
80	70	Twinlock 12% ULS	70xi	—	12.0	17.1	—
56	23	Unilock Holdings	47	—	2.6	5.5	10.0
50	45	Unilock Holdings New	46	—	—	—	9.8
99	42	Walter Alexander	92	—	4.4	4.7	6.1
202	136	W. S. Yeates	202	—	12.1	6.0	*3.3

*Accounts prepared under provision of SSAP15.

FINANCIAL NEWS AND MARKET REPORTS

Commodities

R was uncertain (pence per ... June. 60.70-61.00: July. 62- ... July-Sept. 63.50-63.40; Oct- ... 6.90-67.00: Jan-March; 69 90- ... April-June, 72.60-72.70: July- ... 5.40-75.50: Oct-Dec. 78-78.10: ... rch. 80.50-80.60. Sales, three tonnes; 312 at 15 tonnes.

R-PHYSICALS were dull.—Spot, 1.00. Cifs, June. 63.25-64.00; ... 4-64.75.

...—ROBUSTAS (£ per tonne): ...705-08; July, 1,749.50: Sept. ...7: Nov. 1,820-24: Jan. 1,828-

	WHEAT	WHEAT	BARLEY
S East	—	£97.50	£92.30
S West	—	£98.00	—
W Midlds	—	£94.00	£90.20
N West	£98.40	£96.90	£92.30

MEAT COMMISSION: Average fatstock prices at representative markets on May 15: GB: Cattle, 85.89p per kg lw (−1.74). UK: Sheep, 155.55p per kg est d c w (−4.28). GB: Pigs, 70.49p per kg lw (−2.72). England and Wales: Cattle numbers down 2.3 per cent, average price 85.97p (−1.66). Sheep numbers down 4.9 per cent, average price 141.30p (−1.30). Pig numbers up 2.9 per cent, average price 70.49p (−2.72). Scotland. Cattle numbers down 2.8 per cent, average price 85.70p (−1.92). Sheep numbers up 2.9 per cent, average price 119.14p (−4.76).

...il bonus of £3m lifts ...arless, Capel profits

...less, Capel & Leonard ...d £3m stock profits be... of escalating oil prices ... year to March 31 and ... profits jumped from ... to £6.27m, after special ...ions of £630,000 compared ...300,000 for upgrading the ...n fund. Most of the £25m ...se in turnover to £63.7m ...ted price rises.

...less makes most of its ...s from producing hydro...n solvents, naptha and ...cals trading. However, ...e stock market specula... in recent weeks has ...d on the group's onshore oil exploration interests in the United Kingdom. The shares have doubled in the course of 1980, but were little changed at 149p after the results.

Carless's attributable profits for 1979-80 were less sharply up because the group has been destocking since February and the absence of stock relief pushed up the tax charge from £534,000 to £2.29m. However, earnings per share still nearly doubled from 5.2p to 10.1p, and the year's gross dividend has been raised from 1.50p to 3.57p, excluding an exceptional 1.14p interim.

Discount market

No intervention was required of the Bank of England yesterday. Credit flows proved both adequate and cheaper. From initial 16⅞, bids were swiftly pulled back to 16½ per cent, and then down to 16¼ per cent by midday.

A good deal of progress had been made by this stage, with little significant calling from the clearers. Decline continued into the afternoon, and books were eventually being ruled off within bounds of 14¼ per cent and 15½ per cent. Bank balances from Wednesday had come through on target, and other factors offset one another.

On the minus side were moderate repurchases of eligible bank bills previously sold to the authorities and a small net Treasury bill take-up. These were matched by the combination of moderate excess of Exchequer disbursements over tax transfers and a small figure for increased note circulation.

Money Market Rates

Bank of England Minimum Lending Rate 17%
(last changed 15/11/79)
Clearing Banks Base Rate 17%
Discount Mkt Loans %
Overnight: High 16⅞ Low 14¼
Week Fixed 16⅜-16¼

Foreign exchange report

The pound extended its earlier gains on foreign exchanges following the Prime Minister's declaration that there could be no reduction in interest rates while bank lending remains so high. At the close, sterling showed a rise of 1.20 cents against the dollar at 2.3005. The effective exchange rate index closed 0.4 up at 73.5.

Sterling last closed about 2.30 to the dollar on February 14. Dealers stressed that the market was very thin, most continental centres being closed for the Ascension Day holiday.

Continental currencies moved narrowly against the dollar. German marks were finally a shade weaker at 1.7955, compared with 1.7887 overnight, and French francs rose from 4.1885 to 4.1835, but Swiss francs eased from 1.6620 to 1.6630. The Japanese yen eventually recovered Wednesday night's level of 227.35 to the dollar.

Sterling Spot and Forward

	Market rates (day's range) May 15	Market rates (close) May 15	1 month	3 months
New York	$2.2850-3040	$2.3000-3010	[illegible] prem	[illegible] prem
Montreal	$2.7010-7115	$2.7095-7105	[illegible] prem	[illegible] prem
Amsterdam	4.50-54fl	4.53-54fl	[illegible] prem	[illegible] prem
Brussels	65.90-66.35f	66.25-35f	[illegible] prem	[illegible] prem
Copenhagen	12.83-90k	12.88-89k	[illegible] ore disc	[illegible] ore disc
Dublin	1.1035-1100	1.1080-1090	6-3p prem	[illegible] disc
Frankfurt	4.10-13dm	4.11-12dm	[illegible] pf prem	[illegible] pf prem
Lisbon	112.50-113.50e	113.15-35e	[illegible] prem-35c disc	[illegible] disc
Madrid	162.70-163.50p	163.40-50p	[illegible] c disc	80-180c disc
Milan	1929-35lr	1934-35lr	[illegible] lr prem-1lr disc	[illegible] lr prem-1lr disc
Oslo	11.23-29k	11.27-28k	250-90ore prem	[illegible] ore prem
Paris	9.57-64f	9.62-63f	4-3c prem	11-10c prem
Stockholm	9.69-71k	9.69-70k	[illegible] ore prem	640-800ore prem
Tokyo	517-27y	523-24y	2.80-1.75y prem	560-500y prem
Vienna	29.20-40sch	29.35-40sch	18-14gro prem	51-43gro prem
Zurich	3.79-83f	3.82-83f	4-3c prem	10¾-9¾c prem

Effective exchange rate compared to December 21, 1971, was up 0.4% at 73.5.

Sterling: Other Markets

Australia	2.0285-2.0335
Bahrain	0.8505-0.8595
Finland	8.4825-8.5225
Greece	97.00-99.00
Hongkong	11.2365-11.2785
Iran	Not available
Kuwait	0.6335-0.6335
Malaysia	4.9750-5.0075
Mexico	51.65-53.15
New Zealand	2.3140-2.3540
Saudi Arabia	7.6175-7.6475
Singapore	4.9425-4.9725
South Africa	1.8060-1.8210

Dollar Spot Rates

*Ireland	2.0729-2.0735
‡Canada	1.1783-1.1786
Netherlands	1.9660-1.9675
Belgium	28.76-28.81
Denmark	5.60-5.61
West Germany	1.7950-1.7960
Portugal	49.15-49.25
Spain	71.15-71.20
Italy	842.50-843.00
Norway	4.9010-4.9040
France	4.1810-4.1860
Sweden	4.2140-4.2210
Japan	227.20-227.50
Austria	12.75-12.80
Switzerland	1.6620-1.6640

* Ireland quoted in US currency.
‡ Canada $1: US $0.8490-0.8494.

Gold

Gold fixed: am, $516.25 (an ounce); pm, $517 close, $518.25.
Krugerrand (per coin): $535.5-538.5 (£232.5-234.5).
Sovereigns (new): $131-135 (£57-59).

Euro-$ Deposits

Calls, 9-10%; seven days, 9½-10%; one month, 10-10½%; three months, 10⅛-10⅝%; six months, 10⅝-11.

Recent Issues

Folkes Hefo nears £4m

John Folkes Hefo, the Midlands property and engineering group, managed to push pretax profits up by £300,000 last year to £3.88m. But the only division significantly to improve performance was housing, where higher prices raised profits from £153,000 to £551,000.

Industrial property and engineering, the company's two main profit earners, both showed a slight decline, while merchanting was a short way ahead of last year.

Options

Oils again held most attention in an otherwise quiet session among traded options. Total contracts fell from 670 to 480, of which BP and Shell accounted for 185 between them. Attention was also drawn to Imperial Group following its decision to go ahead with the bid for Howard Johnson, with 92 contracts completed. The majority of these centred on the May 70p series.

In traditional options dealers reported quiet conditions with secondary oil shares again making the running. Puts were made in Berkeley Exp. and Dunlop, with doubles arranged in Rustenburg, Oil Search and Premier Cons.

Wall Street

New York, May 15.—Stocks moved higher in active trading this morning, the Dow Jones industrial average added three points and advances led declines three-to-two.

Oils and interest rate-sensitive issues firmed. Murphy Oil added 1⅞ to 81⅞, Bake International ⅞ to 57⅞ and Alaska Interstate 1⅛ to 39½.

Active Federal National Mortgage picked up ⅛ to 16, American Telephone ⅛ to 53½, Bankamerica ¼ to 25¼ and Citicorp ⅛ to 21⅛. Active Standard Brands, which dropped a takeover bid for Liggett, rose 1⅛ to 29.

On Wednesday stocks were broadly higher in heavy trading late in the session led by takeover issues and the glamour and growth sector.

The Dow Jones industrial average rose 2.73 points to 819.62. Advances led declines five to two on volume of over 38 million shares.

Airline shares were active with Northwest Air closing at 24⅞, up ⅞, Eastern 8⅛, up ⅛. Delta 38⅛, up 1⅛, and United Airlines 17⅛, up ⅛.

Peabody International was up ⅞ to 20 after trading as low as 17⅞. It reported lower net for its second quarter ended March 31.

Exxon was up ⅝ to 60⅞. It agreed to acquire Atlantic Richfield's interest in an oil shale project. Atlantic Richfield was up ⅜ at 87⅛, while Tosco, which holds the 40 per cent remaining interest jumped 3⅞ to 24⅛.

Silver closes 10c up

New York, May 14.—COMEX SILVER futures closed five to 10 cents higher as new speculative buying from the firmer gold market deflected selling from industrial users.

The spot May contract settled five cents higher at $15.03 but below its best posting of $15.24.

Traders said the buying lifted silver to its highest point in five weeks and this encouraged new speculative interest fanned by indications that the market had perhaps lost its downside momentum.

They said Saudi Arabia's petroleum oil price increase was expected, and it failed to rekindle the inflation psychology amid mounting concern about a worse-than-expected recession. May, 1,301.0c; June, 1,306.0c; July, 1,311.0-1,320.0c; Sept, 1,340.0c; Dec, 1,379.0c; Jan, 1,391.5c; March, 1,416.5c; May, 1,441.5c; July, 1,466.5c; Sept, 1,491.5c; Dec, 1,529.0c; Jan, 1,541.5c; March, 1,564.0c.

GOLD.—Futures were: NY COMEX: May, $522.50; June, $523.50-525.00; July, $529.70; Aug, $534.50-535.50; Oct, $545.00; Dec, $555.00-556.00; Feb, $565.40; April, $575.80; June, $586.30; Aug, $596.90; Oct, $607.50; Dec, $618.10; Feb, $628.60. CHICAGO IMM: May, $524.00; June, $525.00-524.00; July, $539.50 asked; Sept, $540.50-539.00; Oct, $544.60 bid; Dec, $564.50; March, $569.50.

COPPER futures closed 0.60c to 0.90c down.—May, 88.10c; June, 88.60c; July, 89.50-89.70c; Sept, 91.00-91.20c; Dec, 93.00c; Jan, 93.70c; March, 95.20c; May, 96.30c; July, 97.60c; Sept, 98.90c; Dec, 100.90c; Jan, 101.50c; March, 102.70c.

SUGAR futures in No 11 contract closed, bid limit up 1 cent. July, 34.35-34.50c; Sept, 34.10c bid; Oct, 34.25c bid; Jan, 34.93c bid; March, 35.12c bid; May, 34.89c bid; July, 34.70c bid; Sept, 34.58c bid; Oct, 34.44c bid.

COTTON futures were: July, 822.11c; Oct, 78.10-78.30c; Dec, 74.70-74.75c; March, 75.75c; May, 76.25 bid-77.60c asked; July, 76.75 bid-78.00c asked; Oct, 78.25c.

	May 14	May 13
Allied Chem	46⅛	45½
Allied Stores	24	23⅞
Allis Chalmers	32⅛	22⅞
Alcoa	54⅞	54⅛
Amax Inc	41	41⅛
Amerada Hess	43⅛	44⅞
Am Airlines	8⅛	8⅛
Am Brands	70½	69
Am Broadcast	27	27
Am Can	30⅛	30⅛
Am Cyanamid	28⅛	28⅛
Am Elec Power	18⅛	18⅛
Am Home	28⅛	27⅞
Am Motors	5⅛	5⅞
Am Nat Res	42	41½
Am Standard	53⅛	54
Am Telephone	53⅛	53⅛
AMF Inc	13⅛	13⅛
Armco Steel	27⅛	27⅛
Asarco	33⅛	33
Ashland Oil	34⅛	33⅛
Atlantic Richfield	87⅞	86⅛
Avco	22⅛	22⅛
Avon Products	37⅞	37⅛
Bankers Tst NY	45⅛	44½
Bank of America	25⅛	25⅛
Bank of NY	32⅛	31⅞
Beatrice Foods	21⅛	20⅞
Bendix	39	39⅛
Bethlehem Steel	20⅞	21
Boeing	34⅛	34⅛
Boise Cascade	34⅛	33⅛
Borden	23½	22⅞
Borg Warner	33½	33½
Bristol Myers	38	37⅞
BP	32	30⅛
Burlington Ind	17⅞	17⅞
Burlington Nthn	65⅛	61⅞
Burroughs	61⅞	61⅞
Campbell Soup	28⅞	29
Canadian Pacific	31⅛	30⅛
Caterpillar	47⅞	46½
Celanese	45⅛	44⅛
Central Soya	13⅞	13⅛
Chase Manhat	42⅛	41⅞
Chem Bank NY	39	38⅛
Chesapeake Ohio	28⅛	28½
Chrysler	6⅞	6⅛
Citicorp	21⅛	21⅛
Cities Service	89⅛	89
Clark Equip	32	32⅞
Coca Cola	35⅞	35⅞
Colgate	14⅞	14⅛
CBS	44⅞	43⅞
Columbia Gas	37⅞	38⅛
Combustion Eng	48⅛	49
Comwlth Edison	22	22⅞
Conoco	45⅛	44
Cons Edison	24⅛	24⅞
Cons Foods	24⅛	24⅞
Cons Power	19⅛	19⅛
Continental Grp	28⅛	28⅞
Control Data	48½	47⅞
Corning Glass	48⅞	48
CPC Intnl	65⅞	64⅞
Crane	34⅞	34⅛
Crocker Int	28⅞	28⅞
Crown Zeller	39	38
Dart Ind	41	40⅞
Deere	30½	30⅛
Delta Air	38⅛	36⅞
Detroit Edison	13	13
Disney	49⅛	48⅞
Dow Chemical	31⅛	31⅞
Dresser Ind	52⅞	51⅞
Duke Power	18⅛	17⅞
Du Pont	38	37⅞
Eastern Air	8½	8⅛
Eastman Kodak	53⅛	52⅞
Eaton Corp	22⅛	22⅞
El Paso Nat Gas	17	16⅞
Equitable Life	14⅞	14⅞
Esmark	27½	27⅛
Evans P. D.	20⅞	19⅞
Exxon Corp	60⅞	60⅛
Fed Dept Stores	28	27⅞
Firestone	7⅛	7
Fst Chicago	14⅞	14⅛
Fst Nat Boston	29⅛	29⅞
Fst Penn Corp	4⅞	4⅞
Ford	24⅞	23½
GAF Corp	11⅛	10⅞
Gamble Skogmo	37⅞	37
Gen Dynamics	62⅛	61½
Gen Electric	46½	47
Gen Foods	28⅛	28⅞
Gen Mills	26⅞	25⅞
Gen Motors	44⅞	44⅛
Gen Pub Util NY	6⅞	7
Gen Tel Elec	27½	27½
Gen Tire	16⅛	16⅛
Genesco	3⅛	3⅛
Georgia Pacific	25	25⅞
Getty Oil	72½	71⅞
Gillette	24⅞	25⅞
Goodrich	18⅛	18⅛
Goodyear	11⅞	11⅛
Gould Inc	21	20½
Grace	38⅞	36⅞
Gt Atlic & Pacific	5⅞	5⅞
Greyhound	17	17⅞
Grumman Corp	22½	22⅞
Gulf Oil	37⅞	37⅞
Gulf & West	15⅞	15⅛
Heinz H. J.	38⅛	38⅛
Hercules	16⅞	16⅛
Honeywell	72⅞	72½
IC Inds	26⅞	26⅞
Ingersoll	47⅞	47
Inland Steel	28⅞	28½
IBM	53	53⅞
Int Harvester	33½	33½
INCO	20⅛	20⅛
Int Paper	33⅛	33⅞
Int Tel Tel	27⅞	27⅞
Irving Bank	37⅞	37½
Jewel Co	27½	26⅞
Jim Walter	29⅞	28⅞
Johns-Manville	21⅞	21⅛
Johnson & John	77⅞	77⅛
Kaiser Alumin	19	19
Kennecott	25⅛	25⅛
Kerr McGee	76⅞	72½
Kimberly Clark	43⅞	41⅞
Kraftco Corp	44⅛	44⅞
K Mart	23⅞	23⅛
Kroger	17⅞	16⅞
Ligget Group	61½	60⅛
L.T.V. Corp	10⅞	11
Litton	51⅞	51⅛
Lockheed	30⅞	30½
Lucky Stores	15⅞	15⅛
Manuf Hanover	30½	30⅛
Mapco	37⅞	36⅛
Marathon Oil	51⅞	51
Marine Midland	15	14⅛
Martin Marietta	44⅞	42⅞
McDonnell	27⅛	27⅛
Mead	23½	22⅞
Memorex	11⅞	11½
Merck	68⅛	68⅞
Minnesota Mng	54⅞	54½
Mobil Oil	66⅞	68
Monsanto	48½	47½
Morgan J. P.	49½	48⅞
Motorola	45½	46⅛
NCR Corp	54⅛	53⅞
NL Industries	40½	40
Nabisco	22⅞	22⅞
Nat Distillers	25⅛	25⅛
Nat Steel	26⅞	26⅛
Norfolk West	29½	27⅞
NW Bancorp	25	24⅞
Norton Simon	13	13
Occidental Pet	22⅞	22⅞
Ogden	29½	29½
Olin Corp	15⅞	15⅞
Owens-Illinois	23½	23⅞
Pacific Gas Elec	24⅛	24⅛
Pan Am	4⅞	4½
Penney J. C.	25⅞	25½
Pennzoil	35	35
Pepsico	25⅞	25⅛
Pfizer	40⅛	40
Phelps Dodge	27½	28⅞
Philip Morris	40⅛	39½
Phillips Petrol	41⅛	40⅛
Polaroid	24	24⅛
PPG Ind	30	30
Proctor Gamble	76⅞	76
Pub Ser El & Gas	20⅛	20⅛
Pullman	28	27½
Rapid American	20⅛	20⅛
Raytheon	71⅞	71⅛
RCA Corp	22⅛	22⅛
Republic Steel	22	21⅞
Reynolds Ind	35	35
Reynolds Metal	30⅛	30½
Rockwell Int	50⅛	50⅞
Royal Dutch	82⅞	83
Safeways	29⅛	29½
St Regis Paper	27⅛	27⅞
Santa Fe Ind	55⅞	55
SCM	26⅛	25
Schlumberger	107	108
Scott Paper	16⅛	15⅛
Seaboard Coast	33½	33⅛
Seagram	52⅞	52
Sears Roebuck	17⅞	17½
Shell Oil	63⅛	63⅛
Shell Trans	34⅛	35
Signal Co	31⅛	30⅛
Singer	8⅞	8⅛
Sony	9⅛	9⅛
Sth Cal Edison	25⅛	25½
Southern Pacific	38	38½
Southern Rly	57⅞	56
Sperry Corp	46⅛	46½
Std Brands	27⅞	26⅞
Std Oil California	68	66⅛
Std Oil Indiana	94⅛	93⅛
Std Oil Ohio	88½	87½
Sterling Drug	19	18⅞
Stevens J. P.	13⅞	14⅛
Sunbeam Corp	16⅛	16⅛
Sun Comp	66⅞	65⅛
Teledyne	120⅛	120⅛
Tenneco	34⅛	34⅞
Texaco	33⅛	33⅞
Texas East Corp	61½	60
Texas Inst	82⅞	82⅛
Texas Utilities	18⅞	18½
Textron	23⅛	22⅞
TWA	13	12⅛
Travelers Corp	36⅛	38
TRW Inc	36⅛	35⅛
UAL Inc	17⅞	17
Union Carbide	40½	40⅛
Union Oil Calif	46⅞	46½
Un Pacific Corp	38½	39
Uniroyal	3⅛	3⅛
United Brands	11	10⅞
US Industries	7½	7½
US Steel	17⅞	18⅛
Utd Technol	40⅛	40⅛
Wachovia	18½	18½
Warner Lambert	19⅛	19⅛
Wells Fargo	27½	27⅛
West'n Bancorp	31⅛	31
Westinghse Elec	23½	23⅛
Weyerhauser	31½	31½
Whirlpool	17½	17½
White Motor	4⅞	4½
Woolworth	26	25⅞
Xerox Corp	51⅛	51⅞
Zenith	10	10½

Canadian Prices

Abitibi	18⅛	18½
Alcan Alumin	28⅛	27⅛
Algoma Steel	28	28
Bell Telephone	20⅛	20⅞
Cominco	52	50⅛
Cons Bathurst	14½	13⅞
Gulf Oil	29⅛	29
Hawker Sid Can	16½	16½
Hudson Bay Min	23	23⅛
Hudson Bay Oil	27⅞	27⅞
Imasco	42½	43½
Imperial Oil	36½	35⅞
Int Pipe	17	16⅞
Mass.-Fergsn	10⅛	10½
Royal Trust	14½	14½
Seagram	61⅞	61
Steel Co	26⅛	26⅞
Talcorp	7⅞	7⅞
Thomson N 'A'	15½	15½
Walker Hiram	28	27⅞
WCT	12⅞	12⅞

* Ex div. a Asked. c Ex distribution. h Bid. k Market closed. n New issue. p Stock split. t Traded. y Unquoted.

Foreign exchange.—Sterling, spot, 2.2993; three months, 2.2635; Canadian dollar, 1.1782.

The Dow Jones averages.—Industrials, 819.62; transportation, 260.11; utilities, 108.66; 65 stocks, 298.16.

New York Stock Exchange index, 60.90; industrials, 68.64; transportation, 51.64; utilities, 37.33; financial, 61.52.

COFFEE futures rebounded from sharp losses around midsession to soar in record volume to closing gains of 2.16 cents to the 4.00-cent limit. Spot May added least at 196.12 cents. Today's estimated volume of 14,750 lots apparently exceeds the previous record of 13,908 lots traded on May 3. May, 196.00-196.50c; July, 201.90-203.50c; Sept, 208.00-209.25c; Dec, 201.01-201.26c; March, 194.00c; May, 193.00 bid-193.38c asked; July, 193.00c; Sept, 194.00c.

COCOA futures reversed morning losses in light trading activity to close 0.75 to 0.90 cent higher in nearbys and up $5.00 in deferred metric months. Estimated volume was 782 lots. May, 116.75c; July, 114.24c; Sept, 115.47c; Dec, 126.09c; March, 136.67c.

CHICAGO SOYABEANS futures slipped ½c a bushel in nearbys to 5c in the deferred. Prices ended near lows of a 6½c range. Oil futures ended 0.05 cent a lb higher to 0.20 lower. Meal futures also finished mixed, up $0.40 a ton in the spot to down $0.80 in back months. Prices settled near lows of $2.00 range. SOYABEAN OIL.—May, 20.85-20.90c; July, 21.15-21.18c; Aug, 21.35-21.37c; Sept, 21.55-21.60c; Oct, 21.70 bid-21.75c asked; Dec, 22.10c; Jan, 22.15c; March, 22.50c; May, 22.80 bid-22.90c asked; July, 23.05c. SOYABEAN MEAL.—May, $16.95; July, $17.38-17.40; Aug, $17.65-17.61; Sept, $17.86; Oct, $18.12 bid-18.15 asked; Dec, $18.54-18.55; Jan, $18.71; March, $19.20-19.15; May, $19.55; July, $19.80 bid-19.90 asked.

CHICAGO GRAINS.—Wheat futures closed 2½ to 1½ cents a bushel lower in moderately active trade. Prices settled near the bottom of a nine-cent range. Local long liquidation on talk of revised forecasts of increased rain over the weekend dropped values to the minus side, traders said.

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Cornhill Insurance.
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Valuation 15th of month.

1979/80 High Bid	Low Offer	Trust	Bid	Offer	Yield
143.0	52.0	Capital Fnd	131.5	..	..
141.0	48.5	GS Special	54.5	..	..
200.0	136.5	Man Fund (23)	196.5	207.0	..

Crown Life Assurance Co Ltd.

Lloyds Life Assurance Ltd.
20 Clifton Street, EC2. 01-247 7869

Nebreger Life Group.
Enterprise House, Portsmouth.

Offshore and International Funds

Arbuthnot Securities (CI) Ltd.
PO Box 284, St Helier, Jersey.

Motoring

Sharp increase in sales at the pumps

Sales of petrol in the first quarter of the year rose by 7 per cent compared with the same period in 1979, a striking increase considering the high price and the fact that demand last year rose by only 2 per cent over the previous 12 months.

Several factors may help to explain the sudden spurt, not the least of them that a record half a million new cars came on to the roads during the period. Since no one expects the new car market to continue at the same giddy level, it may be assumed that demand for petrol will also drop back.

The petrol boom of the first three months could also be a reflection of the fact that earnings have kept ahead of prices and it has demonstrated once more the motorist's determination to run his car almost whatever the odds.

The disincentives have certainly been powerful. All motoring costs have risen sharply and none more than petrol. In the past 15 months the average price at the pumps has gone up by 65 per cent. During that time there have been no less than 10 increases, seven caused by the rise of crude oil prices and three due to extra taxes.

Over the next decade demand for petrol is expected to rise by between 2 and 2½ per cent a year, which may not sound dramatic although it means that by 1990 consumption would be nearly 30 per cent higher than it is now. And that is against a background of increasing official concern to conserve energy and particularly oil which, as the end of the century comes closer, may be in ever shorter supply.

If the Government is concerned to limit the future demand for petrol it can do several things. It can raise prices further although the evidence is that motorists have become hardened to that and will tend to save on other items of expenditure rather than not run the car.

It can hope that someone comes up with a satisfactory alternative to the internal combustion engine. That is unlikely to happen in the next 10 years, even in the next 20. Electric cars are the most likely bet, but only when batteries have been developed that greatly increase the power of a vehicle and its range between charges.

The Government can compel manufacturers to improve the fuel consumption of new cars. So far manufacturers have been obliged only to give a voluntary undertaking to achieve a modest 10 per cent improvement by 1985. In America, where cars are much thirstier, legal fuel consumption targets have been introduced and the idea could spread to Europe.

Finally, the Government can seek to improve the fuel consumption of cars already on the road. Mr Geoffrey Sheppard, the retail manager of BP Oil, recently revived the idea that a check on the fuel efficiency of the engine should be included, along with the existing safety items, in the annual Mot test.

BP has found that adjustments to carburation, the electrical system and other fuel related items can produce improvements in economy of at least 6 per cent, equivalent to a national saving of one million gallons of petrol a day.

The fuel checks would make the MoT test more expensive, perhaps by as much as £10. But, Mr Sheppard argues, the motorist would still be better off. The average driver uses 300 gallons of petrol a year and by consuming 6 per cent less fuel he would find himself, at present prices, £25 to the good.

The proposed checks would not, of course, apply to those cars, at least four million of them, that are less than three years old and do not qualify for the MoT test. But that still leaves more than 10m and it is the older cars that tend to be serviced less often.

The Department of Transport has looked at the idea but considers that it would be difficult to implement and would not bring the sort of savings that BP claims. In the department's view the net fuel saving would be about only 2 per cent. But if at the moment there is little official enthusiasm, circumstances may force a reappraisal.

Always improving : BMW success with 7 Series

Road test: BMW 732i

One mark of a successful car company, which BMW certainly is, is the ability to keep its models fresh and competitive. It is less than three years since the big 7 Series saloons arrived in Britain and substantial modifications have been made which have improved both performance and fuel consumption.

This willingness to move quickly in response to changing market demands has helped BMW almost to double its sales in the past six years, a remarkable achievement for a company concentrating on the more expensive end of the business. In 1980 it expects to produce 350,000 cars and yet further expansion is planned, with negotiations afoot for a new factory.

The 7 Series must be particularly vulnerable to official disapproval in an energy saving climate, while continuing to appeal to those motorists who enjoy performance driving (and have the money to pay for it). The task for BMW, therefore, was on the one hand to make the cars more economical and on the other to maintain or even improve acceleration and top speed.

The key to this is saving weight. Despite additional equipment, the latest 7 Series models are significantly lighter than their predecessors Fuel consumption is 7½ per cent better and all the models are a little quicker. On the 732i an electronic engine management system has been fitted, selecting with the help of a silicon chip the optimum settings for fuel and ignition.

Other new and worthwhile items are heated external rear view mirrors which defrost automatically when the outside temperature approaches freezing point. There is also a heated door lock, doing away with the need for kettles of boiling water, and as an optional extra, a system for heating the interior of the car half an hour before the driver wants to set off.

The 7 Series range now comprises the 735i, the 732i and the 728i: the second two numbers denote engine size, 3.5 litre and so on, while the "i" stands for fuel injection. I have been driving the middle one, which has a 3.2 litre six cylinder unit, developing a lusty 197 bhp, accelerating from 0 to 60 mph in 8.4 seconds and reaching a top speed (so BMW tells me) of 127 mph. Comment on the performance is almost superfluous: this is a very fast car and to be able to call on such power makes it a most relaxing one to drive.

It has to be said that despite the improvement, fuel consumption is still heavy and I probably did well to average 17 mpg in a combination of, mostly, town and motorway driving.

Handling and roadholding are of the usual high order. Minor suspension changes have reduced bodyroll on corners, not that it was excessive before. Although BMW is one of the last European manufacturers to use recirculating ball steering, it does not have the vagueness so apparent in many Japanese cars. The brakes are well up to the demands that might be made on them.

While performance is there for those who want it, the car can be equally enjoyed as a quiet, comfortable, spacious long distance cruiser. The seats are a good compromise between Mercedes hardness and Citroen softness and the ride, too, avoids the extremes of firmness and wallow, though there is some choppiness on broken surfaces.

There are grumbles, but mostly minor ones. Wind noise is a little intrusive at speed; the clutch is heavy; and the gearbox could give smoother changes. But this is a fine car and at £14,325 better value in today's prices than some BMW models sold here in the past

Revised Alfasuds

The Alfa Romeo Alfasud, which, despite quality and rust problems now said to be overcome, was one of the outstanding small cars of the 1970s, has been freshened up for the new decade. Among exterior changes are the fitting of wrap-around bumpers with, for the first time, a front spoiler, a new light cluster front and back and side mouldings to protect the doors and sills.

Inside there are new seats, giving extra space and comfort, and the rear seat back can be lowered to give access to the boot. Mechanically the cars are unchanged except that the 1.3 model now has the same twin choke carburation as the 1.5. This is said to improve both engine flexibility and fuel consumption. The revised cars go on sale this week at £4,100 for the 1.3 and £4,300 for the 1.5.

Peter Waymark

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1.2 Co-ordinating the work of the Departments of Operative Dentistry and Prosthodontics in conjunction with the respective heads of departments. Promoting and sustaining clinical research.

1.3 Responsible for directing the specialist dental laboratory services that support the Hospital and Dental School clinics.

1.4 The appointee will be offered appropriate teaching responsibilities in the Dental School, subject to faculty aproval.

2. QUALIFICATIONS

2.1 Applicants must be registerable with the Dental Board of Western Australia, and possess a higher qualification applicable to the discipline.

2.2 Considerable clinical experience, together with a sound academic and practical knowledge of modern dental procedures.

2.3 Administrative experience or indications that administrative capacity exists will be an advantage.

A memorandum of information on the position has been prepared and further enquiries should be addressed to the Director, Hospital Dental Services, Perth Dental Hospital, 196 Goderich Street, Perth, Western Australia, 6000.

Applications including personal and professional details and a recent photograph should be endorsed 'Application—Head of Restorative Dentistry' and addressed to: The Chairman, Perth Dental Hospital Board, 196 Goderich Street, Perth Western Australia, 6000.

Applicants are required to contact two referees and request them to forward their references directly to the Chairman, to be received prior to the closing date.

Closing date for applications: 16th June, 1980.

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A position description should be obtained from Staff Branch, RMIT, Box 2476V, G.P.O., Melbourne 3001. Applications quoting ref. 111-20-AN to the Registrar by 15/7/80.

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£5,000—STRAND
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DOMESTIC AND CATERING SITUATIONS

EXPERIENCED COOK/ GENERAL HOUSEKEEPER REQUIRED
Over 25 yrs. old, for family in East Horsley (near Guildford, Surrey). 2 boys, one aged 12 at boarding school, and other aged 8½ to join him in 1981. Applicant must be a car driver and fond of children as well as a good capable cook. Lovely modern house in extensive grounds. Own s.c redecorated furnished flat on lakeside garden Highest wages negotiable plus use of car at all times. Daily help kept for general housework. Regret no room for dependents.—Please phone East Horsley (STD 04865) 2144 or East Horsley 3223, reversing charges.

AU PAIR, Germany, Bonn. Capable responsible girl, 18+ to care for Andrew 8 and Nicola 1. September for 1 year. Hornchurch 56157.

AU PAIR/STUDENT, non-smoker, to help working lady and 9-year-old daughter. Fulham. Weekends free. Good conditions.—01-385 3891.

CITY WINE BAR urgently requires smart young girl (20+) to help cook, waitress, etc. 5 lunches per week, some evenings until 8 p.m. Phone 248 2265.

MAY DAY! MAY DAY: Non-smoking, "driving" mother's help for musician's family in Highgate (Chloe 9, Holly 6), own flatlet, colour T.V. Use of car. Salary negotiable.—Phone 341 1502.

DOMESTIC AND CATERING SITUATIONS

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BUTLER Man Servant required. Own cottage, suitable for married man References essential. Apply The Secretary, Estate Office, Luton Hoo, Luton Beds. Telephone 0582 21335.

هكذا من الأصل

Broadcasting Guide

Edited by Peter Davalle

PERSONAL CHOICE

Nicholson : in a special "I wish . . . ." edition of After Plus (ITV, 2.00). She achieves an ambition by partnering Tom Conti in a scene from Shaw's The Devil's Disciple. Her co-presenter, Simon Reed, has trials for [illegible]ants. During the game, he bowled out Peter Willey.

[illegible] five short films from BBC Wales which make up The Colliers' Crusade (BBC 2, 6.55) detail the contribution Welsh [miners] made to the republican cause during the Spanish civil [war in] the middle 1930s. Of the 160 who fought with the [Intern]ational Brigade, 33 were killed. The interviews with old [miner]s in tonight's scene-setting episode reveal striking parallels [betwe]en the injustices borne by the coalpit workers and the [resen]tment nursed by the Spanish working class, so that when [war] exploded in Spain, its pre-echoes had already reached the [Welsh] mining valleys, and the Welshmen's response was [immed]iate: Welshman and Spaniard united in common, anti-fascist, [cause]. Writer Gwyn Thomas is another of tonight's contributors. [His im]agery can sometimes be too rich for my palate. Not tonight [though]. When he talks about obscene convulsions, such as the [Senghenyd] colliery disaster, he speaks in historian's language as [well a]s a poet's.

[Phil]ip Martin knows his old movies. Better still, he knows how [to pre]ss them into service in creating something new. His series [Gangs]ters, about Midlands criminals, quoted effectively from old [gangst]er movies and adventure serials. In his new play, The [Unbor]n (BBC 2, 9.40), which is about a nuclear physicist tortured [by nig]htmare visions, he draws upon old horror and black magic [films]. It is far too long since we last had a high quality [super]natural thriller on television.

[Aft]er tonight, there is only one more of Magnus Magnusson's [films] about the Vikings to go. They haven't been the easiest [histor]y lessons to digest ; I doubt if they were intended to be. [The e]pisodes I saw were scholarly, fact-packed and visually [excit]ing and Mr Magnusson is clearly in his element as narrator. [Tonig]ht's programme (BBC 2, 8.30) is about the Empire of the [North]ern Seas, the avenging King Svein Forkbeard and his son [Canut]e. Inclusion of the latter should ensure bigger viewing [audien]ces than heretofore.

[Ber]nard Levin's new series about European music festivals [begin]s tonight (Radio 3, 9.00) with Florence's Maggio Musicale, [which] opened a few days ago. Subsequently, Mr Levin's itinerary [will i]nclude Aldeburgh, Edinburgh, Salzburg and need one say [Bay]reuth. . . . Radio 4's Shaw Festival continues with Press [Cutti]ngs (3.15) about which I know nothing except that it is [about] a general who puts forward a military solution to the [suffr]agette problem. Arthur Lowe plays the general.

[Th]e opinions expressed in yesterday's Personal Choice were [mine] and not Peter Dear's, as stated.

[WHA]T THE SYMBOLS MEAN : †STEREO ; *BLACK AND WHITE ; [(r) R]EPEAT.

TELEVISION

BBC 1

6.40 am Open University : Hydrothermal plumes ; **7.05** Constructing a model ; **7.30** ESR spectroscopy. Closedown at 7.55.

9.05 For Schools, Colleges : Appuntamento in Italia (if frutti della terra) ; **9.52** Merry-go-Round (sex education) ; *10.15 Merry-go-Round* (keep up with the Times : 4) ; **10.35** Going to Work (overcoming handicaps) ; **11.00** Hyn o Fyd (*cromlechi*). *All repeats.*

11.25 You and Me : For the young child. Includes a West Indian story.

11.40 **Schools, Colleges** : Exploring Science (electricity). (r). Closedown at 12.00.

12.45 pm News and Weather.

1.00 Pebble Mill at One : The specially built "derelict" cottages are now ready for occupation. Also, the art of french puppeteer Philippe Genty.

1.45 Camberwick Green : puppet tale for children.

2.02 Schools, Colleges : Scene (in spite of their deafness) (r). Close-*down at 2.25 ; 3.20* **Dechrau Canu** : hymn singing from Treorchy.

3.55 Play School : Allan Ahlberg's story Mrs Wobble, the Waitress ; **4.20 Baggy Pants and the Nitwits** : cartoons ; **4.40 The Red Hand Gang** : Into a haunted house ; **5.10 In the Limelight with Lesley** : Lesley Judd presides as children put questions to Gina Swainson, Miss World 1979 ; **5.35 Captain Pugwash** : nautical tale for children.

5.40 News : with Richard Baker ; **5.55 Nationwide** : includes Desmond Lynam and Sportswide.

7.00 It's a Knockout Tonights' competition is staged at Bodlondeb Park, Conway, North Wales, and the competing teams are from *Aberconwy*, Delyn and Rhuddlan. Includes a hula-hoop walk over water and a race inside a wooden caterpillar.

7.50 Citizen Smith : Comedy series about a Tooting revolutionary (Robert Lindsay). Tonight he moves against Parliament (r).

8.20 The Sun Trap : Comedy about British exiles on a Mediterranean island. How can they find out whether Liverpool beat Tottenham Hotspur ?

8.50 Points of View : Barry Took has fun answering viewers' letters about programmes.

9.00 News : with Kenneth Kendall.

9.25 Starsky and Hutch : Huggy Bear, the two policemen's friend, is marked for death after being robbed of a fortune he had promised to return to its owner, a racketeer (r).

10.15 Rosie : comedy series about British policemen. The case of the exploding duck (r).

10.45 News and weather.

10.50 International Match of the Day : Northern Ireland play Scotland at Windsor Park, Belfast, highlights from this football clash.

11.35 Film : The Syndicate (1967) British-made thriller about a uranium search in the Kenyan bush. Who is trying to sabotage the expedition ? With William Sylvester, June Ritchie, Robert Urquhart. Director : Frederic Goode.

Regions

BBC 1 VARIATIONS : Cymru Wales: 1.45 pm Bys a Bawd 3.20 Close down. 4.40 Crystal Tipps and Alistair. 4.45 Babol Bach 5.55 Wales Today. 7.00 Heddiw. 7.20 Plant y Palth. 10.15 Brass Band of the Year. 10.45 News, weather. 1.10 am Weather. Scotland: 11.00 am Close down. 12.40 pm News. 3.20 Close down. 5.55 Reporting Scotland 7.00 International Sportscene. 10.15 It's a Knockout. 11.05 The Sun-Trap. 1.10 am Close Northern Ireland: 11.00 am Close down. 3.20 pm Close down. 3.53 News 5.55 Scene Around Six. 10.15 Jazz Club. 10.45 News, weather. 1.10 am News, weather. England: 5.55 pm Regional magazines. 10.15 East, Weekend: London, South-East, Rosie: Midlands, Straight Talk; North, Beneath the Pennines: North-East, Mike on Friday: North-West, Voices from the Past ; South Lion of the North Sea: South-West, Two Men and a Boat; West, Movie Magic. 1.10 am

BBC 2

6.40 am Open University : Language development : **7.05** Computers—how they work ; **7.30** Materials under stress. Close down at 7.55.

11.00 Play School : Same as BBC 1, 3.55. Close down at 11.25.

2.15 Racing from Newbury : We see the 2.30 Crown Plus Two Apprentice Championship Handicap Stakes ; the **3.00** Sir Charles *Clore Memorial Stakes* (first running of what used to be the Sandelford Priory Stakes) ; the **3.30** Enborne Heath Stakes ; **4.00** Aston Park Stakes.

4.50 Open University : chemical processes ; **5.15** Porphyry copper deposits **6.05** Attention and perception ; **6.30** Producing the goods.

6.55 The Colliers' Crusade : First of five films in which Welsh miners who fought in the Spanish Civil War tell their stories. With writer Gwyn Thomas, and old miners who went out to fight the Franco forces (see Personal *Choice*).

7.25 News : with sub-titles for the hard of hearing.

7.35 Gardeners' World : Hard at work at Barnsdale. Grass is sown, and a succession of vegetables is planned, making the best use of slitted polythene.

8.00 Robbie : Repeat screening (first seen on BBC 1) of the films *in which* old-timer Fyfe Robertson interviews others who are past the first flush of youth. Tonight : Barbara Cartland, prolific novelist.

8.30 Vikings ! : **Empire of the Northern Sea.** How Canute came to Britain almost a thousand years ago, and how the North Sea Empire came about (see Personal Choice).

9.00 Sing Country : *First of six* programmes with highlights from this year's Marlboro International Festival of Country Music held at *Wembley Arena.*

9.40 Playhouse : **The Unborn.** Supernatural thriller by Philip Martin about a nuclear physicist (Jack Shepherd) whose nightmares about the future become reality, threatening the life of his unborn child. Mark Larkin plays his wife (see Personal Choice).

10.40 Cartoon : **Boom.** Made by Louis Hellman.

10.45 Newsnight : News and current affairs.

11.30 The Outer Limits : Black-and-white science fiction series from America. Tonight : the alien force on board a spaceship. With Michael Constantine and Jacqueline Scott. Ends at 12.25.

THAMES

9.30 am For Schools : The English Programme (Our People, 4) ; **9.57** Stop, Look, Listen (airports) ; **Think In An' Talk In** (planning and consultation) ; **10.52** Over to You (boxes) ; **11.10** Reading with Lenny ; **11.22** Leapfrog (programme 24) ; **11.39** Scottish history : 4 ; *11.55* **Beany and Cecil** : cartoon. The singing Dinosaur.

12.00 Songbook : with Kathy and Leo ; **12.10 Once Upon a Time** : the *story of the Elf and the Shoemaker.*

12.30 pm Moneywise : food prices. With Derek Cooper and Sheila Duffey.

1.00 News. 1.20 Thames News.

1.30 For Maddie with Love : Serial about a sick wife. With Nyree Dawn Porter and Ian Hendry.

2.00 After Noon Plus : The theme is fantasies. Mavis Nicholson becomes an actress and Simon Reed a cricketer.

2.45 Film : All for Mary (1956) Jolly, British-made comedy set in a Swiss hotel, with Nigel Patrick and David Tomlinson both in love with the hotel-keeper's daughter.

4.15 The Boy Merlin : The Lady and the Sword. Dafydd's sword brings danger to Merlin and his family (r).

4.45 Magpie : the children's magazine programme.

Moira Redmond : ITV, 9.00

5.15 Emmerdale Farm : the countryside serial.

5.45 News. 6.00 Thames News.

6.30 Looks Familiar : Show business quiz, with Billy Daniels, Annie Ross and Larry Adler as Denis Norden's guests.

London Weekend

7.00 Winner Takes All : Jimmy Tarbuck's quiz show. With a £1,000 *challenge spot.*

7.30 The Cannon and Ball Show : With Tommy Cannon and Bobby Ball. Tonight : a challenge to a duel. Ritz, the resident group, sing My Sweet Lord.

8.00 Hawaii five-O : Crime drama. A dangerous opportunist, and a beautiful girl, both spell trouble for the unflappable Steve McGarrett.

9.00 The Gentle Touch : Tales of a woman police officer (Jill Gascoine). Why does the wealthy and elegant Moira Redmond go beserk in a restaurant ?

10.00 News.

10.30 Soap : Comedy series about two very strange American families.

11.00 The London Programme : Analysis of the Government's new proposals that will radically affect the way local government is financed. Both Tory and Labour *council leaders have serious misgivings* about the plans. Tom King, Minister of State for Local Government, is interviwed.

11.45 Luke's Kingdom : A Woman Waiting. Convict in Australia, on parole, runs into trouble and is put back in jail. Meanwhile, his wife waits for him in England.

12.45 am Closedown : Roy Hudd, with a reading of his choice.

RADIO

Radio 4

6.00 am News Briefing.
6.10 Farming Today.
6.30 Today.
7.00, 8.00 News.
7.30, 8.30 Headlines.
8.35 Yesterday in Parliament.
9.00 News.
9.05 Desert Island Discs.
9.45 Down the Garden Path.
10.00 News.
10.02 From Our Own Correspondent.
10.30 Daily Service.
10.45 The Secret House of Death (13).
11.00 News.
11.05 Th *Opiate of the Masses.*
11.50 Bird of the Week.
12.00 News.
12.02 pm You and Yours.
12.27 *My Music.*†
12.55 Weather.
1.00 The World at One.
1.40 The Archers.
2.00 News.
2.02 Woman's Hour.
3.00 News.
3.02 Listen With Mother.
3.15 Shaw Festival: Press Cuttings.
4.10 Mastermind of Gardening.†
4.40 Preview:
4.45 Story: The Jam Pot.
5.00 PM.
5.55 Weather.
6.00 News.
6.30 Going Places.
7.00 News.
7.05 The Archers.
7.20 Pick of the Week.†
8.10 Profile.
8.30 Any Questions ?
9.15 Letter from America.
9.30 Kaleidoscope.
10.00 The World Tonight.
10.35 Week Ending.†
11.00 A Book at Bedtime.
11.15 Financial World Tonight.
11.30 Today in Parliament.
11.45 BBC Sound Archives.
12.00 News.
12.15 am-12.23 Weather.
VHF
6.50 am Regional news, weather.
7.50 Regional news, weather.
9.35-10.30 Schools: Country Dancing ; Notice Board II ; Music Workshop.
10.45-11.50 Schools : A Corner for Music ; Notice Board II ; Listening and Writing.
2.00 pm-3.00 Schools : Let's Join In ; Religious Education ; Adventure.
5.50 Regional news, weather.
11.00-11.30 Study on 4 : Introduction to Arabic (7).

Radio 3

6.55 am (mw only) Weather.
7.00 News.
7.05 Records : Stravinsky, Piston, Ibert, Bizet.†
8.00 News.
8.05 Records : Marcello, Scheidt, Tippett, Pezel, Vivaldi.†
9.00 News.
9.05 Week's Composer : Roussel.†
9.55 Violin : Ernst, Ysaye.†
10.15 BBC NI Orch/Tausky : Gluck, Bridge, Coates.†
11.00 Two pianos : Schubert, *Rushby-Smith*, Debussy, Lutoslawski.†
11.50 Choir (King's, Cambridge) : Bydr.†
12.15 pm BBC-Scottish SO/Rickenbacher, pt 1 : Walton, Vaughan Williams (Sym 8).†
1.00 News.
1.05 BBCSSO, pt 2 : Brahms (Vln Conc).†
1.50 Harpsichord (Malcolm) : Bach (Goldberg, pt 1).†
2.30 Interval reading.
2.35 Harpsichord (Macolm) : Bach (Goldberg, pt 2).†
3.20 Records : Lutoslawski, Serocki, Baird.†
4.10 Oboe, string trio : Krommer, Schubert, Josephs.†
4.55 News.
5.00 (mw and mono only from 6.20) Music for early evening.†
6.55 (mw only) Play It Again : preview.
7.00 Choirs, organ : Palestrina, G. Rose, Parsons, A. Gabrieli, Sherlaw Johnson, Brahms, Ireland, Naylor.†
8.00 BBC Northern SO/Herbig (live from Newcastle), pt 1 : Brahms (Sym 3). Wagner.†
9.00 The Festival Scene (Bernard Levin) : Florence.
9.20 BBCNSO, pt 2 : Mussorgsky-Ravel (Pictures).†
10.00 Play : The Traveller, by Graham Swannell.†
10.35 Piano (Gould) : Bach (BWV913).†
11.00-11.05 News.
VHF
6.00 am-7.00 Open University : Tamla Motown (2) ; Politics of Aging ; Graphs and Equations.
6.20 pm-7.00 Open University : Crying Half a Wolf ; History of Mathematics.

Radio 2

5.00 am News, weather. 5.03 Ray Moore.† 7.32 Terry Wogan.† 10.03 Jimmy Young. 12.03 pm David Hamilton.† 2.03 Ed Stewart.† 4.03 Much More Music.† 5.00 News. 5.05 Waggoners' Walk. 5.20 Much More Music. 6.03 John Dunn.† 8.02 Barn Dance.† 8.45 Friday Night is Music Night.† 9.55 Sports Desk. 10.02 Marks in His Diary. 10.30 The Organist Entertains. 11.02 Brian Matthew. 2.02-5.00 am You and the Night and the Music.†

Radio 1

5.00 am As Radio 2. 7.00 Dave Lee *Travis. 9.00 Simon Bates.* 11.31 Paul Burnett. 2.00 pm Andy Peebles. 4.31 Kid Jensen. 5.30 Newsbeat. 5.45 Roundtable. 7.30 *Anne Nightingale. 9.50 Newsbeat.* 10.00 Friday Rock Show.† 12.00-5.00 am As Radio 2.
VHF RADIOS 1 AND 2: 5.00 am With Radio 2. 10.00 pm With Radio 1. 12.00-5.00 am With Radio 2.

World Service

BBC World Service can be received in Western Europe on medium wave (648 kHz, 463m) at the following times (GMT):
6.00 am Newsdesk. 7.00 World News. 7.09 Twenty-Four Hours. 7.45 Merchant Navy. 8.00 World News. 8.09 Reflections. 8.15 Stage by Stage. 8.30 Book Programme. 9.00 World News. 9.09 British Press Review. 9.15 The World Today. 9.30 Financial News. 9.40 Look Ahead. 9.45 Music Now. 10.15 Merchant Navy. 10.30 Old Took's Almanac. 11.00 World News. 11.09 News about Britain. 11.15 In the Meantime. 11.25 Ulster Newsletter. 11.30 Anything Goes. 12.00 Radio Newsreel. 12.15 pm These Musical Islands. *12.45 Sports Round-up.* 1.00 World News. 1.09 Twenty-Four Hours. 1.30 Radio Theatre. 2.15 Letterbox. 2.30 Tschaikovsky and His World. 3.00 Radio Newsreel. 3.15 Outlook. 4.00 World News. 4.09 Commentary. 4.15 Theatre Call. 4.35 New Ideas. 7.45 About Britain. 8.00 World News. 8.09 Twenty-Four Hours. 8.30 The London Symphony Orchestra at 75. 9.00 Network UK. 9.15 Sarah and Company. 9.45 Letter from London. 9.55 Play Choice. 10.00 World News. 10.09 The World Today. 10.25 The Week in Wales. 10.30 *Financial News.* 10.40 Reflections. 10.45 Sports Round-up. 11.00 World News. 11.09 Commentary. 11.15 From the Weeklies. 11.30 Brain of Britain 1980. 12.00 World News. 12.09 *am News about Britain. 12.15 Radio* Newsreel. 12.30 About Britain. 12.45 John Peel. 1.15 Outlook. 1.45 Stage by Stage. 2.00 World News. 2.09 British Press Review. 2.15 Network UK. 2.30 The Tenant of Wildfell Hall. 3.00 World News. 3.09 News about Britain. 3.15 The World Today. 4.45 Financial News. 4.55 Reflections. 5.00 World News. 5.09 British Press Review. 5.15 About Britain. 5.45 The World Today.

WAVELENGTHS : Radio 1 medium wave 275m/1089kHz or 285m/1053kHz. Radio 2 med wave 330m/909kHz or 433m/693kHz and 88-91 VHF. Radio 3 med wave 247m/1215kHz and 90-92.5VHF. Radio 4 long wave 1500m/200kHz and 92-95VHF. Greater London area only ; med wave 720kHz/417m. LBC 261m, 97.3 VHF. Capital 194m, 95.8 VHF. World Service : med wave 648 kHz (463m). BBC Radio London 206m, 94.9 VHF.

REGIONAL TV

Border
As London except: 1.20 pm News. 2.45 Houseparty. 3.15 Chopper Squad. 5.15 Fangface. 6.00 Lookaround. 6.30 *You're Only Young Twice.* 8.00 Incredible Hulk. 10.30 Springsport. 11.00 Film: Blind Terror (Mia Farrow). 12.35 am News.

Ulster
As London except: 1.20 pm Lunchtime. 2.45 Film: Gangway (Jessie Matthews). 4.13 News. 5.15 Mork and Mindy. 6.00 Good Evening Ulster. 8.00 *Vegas. 10.30 Sportscast. 11.00 Witness.* 11.05 Film: Stranger Who Looks Like Me (Beau Bridges). 12.25 am Bedtime.

Anglia
As London except: 1.25 pm News. 2.45 Houseparty. 3.15 Fantasy Island. 5.15 Sharp Intake of Breath. 6.00 About Anglia. 8.00 Incredible Hulk. 10.30 7 Days. 11.00 Film: Deadlock. 12.45 am Christians in Action.

HTV
As London except: 1.20 pm Report West 2.45 Film: Kangaroo (Maureen O'Hara, Peter Lawford). 5.15 Sharp Intake of Breath. 6.00 Report West. 6.30 Emmerdale Farm. 8.00 Man Called Sloane. 10.35 Report Extra. 11.05 Film: River of Mystery.

HTV CYMRU/WALES: As General Service except: 10.48 am Cymru A'r Mor. 11.55 Mistar Clai. 1.20 pm Penawdau Newyddion y Dydd. 1.25 Report Wales. 4.15 Antur a Champ. 5.15 Noah's Castle. 6.00 Y Dydd. 6.15 Report *Wales. 10.00 News, followed by Report* Wales. 10.35 Agenda. 11.40 Vegas. HTV WEST: No variations.

Grampian
As London except: Starts 9.25 am First Thing. 1.20 pm News. 2.45 Film: Don't Take It To Heart.* 5.15 Emmerdale Farm. 6.00 North Tonight. 6.30 Sharp Intake of Breath. 8.00 BJ and the Bear. 10.30 Reflections. 10.35 Film: Shock Treatment (Alain Delon, Annie Girardot). 12.20 am News.

Tyne Tees
As London except: Starts 9.20 am Good Word followed by News. 1.20 pm *News. Lookaround. 2.45 Film:* Band Waggon (Arthur Askey, Richard Murdoch). 5.15 Happy Days. 6.00 Sportstime. 6.25 Northern Life. 8.00 Incredible Hulk. 10.30 News. 10.32 Friday Live. 12.00 WKRP in Cincinnati. 12.30 *am Epilogue.*

Yorkshire
As London except: 11.55 am Bubbles. 1.20 pm News. 2.45 Film: Night We Got the Bird* (Brian Rix, Dora Bryan). 5.15 Take My Wife. 6.00 Calendar. 6.35 Summer Sport. 8.00 Incredible Hulk. 10.30 Soap. 11.00 Film: No Blade of Grass (Nigel Davenport, Jean Wallace).

Southern
As London except: 1.20 pm News. 2.45 Houseparty. 3.15 Fantasy Island. 5.15 Happy Days. 6.00 Day by Day. 6.00 Scene South-East. 6.30 Out of Town. 8.00 Streets of San Francisco. 10.30 News. 10.35 Opinions Unlimited. 11.05 *Soap. 11.35 Film: Man Who Couldn't* Say No. 1.20 am Weather, followed by Spare a Thought.

ATV
As London except: 1.20 pm News. 2.45 Jolson Sings Again. 5.15 Happy Days. 6.00 ATV Today. 10.30 WKRP in Cincinnati. 11.00 *News.* 11.05 Film: Call Northside 777 (James Stewart).

Westward
As London except: 1.20 pm News. 2.45 Film: Twin Detectives. 4.12 Gus Honeybun's Birthdays. 5.15 Emmerdale Farm. 6.00 Westward Diary. 8.00 Vegas. 10.32 News. 10.36 Sportstime. 10.55 Film: Deathstalk (Vince Edwards). 12.10 am Faith for Life.

Channel
As London except: 12.00-12.30 pm Closedown. 1.20 News. 2.45 Film: *Twin Detectives. 5.15 Emmerdale Farm.* 6.00 Report at Six. 6.35 Ladies First. 8.00 Vegas. 10.28 News. 10.36 Brown Study. 10.55 Film: Deathstalk.

Scottish
As London except: 1.20 pm News. 2.45 Film: Land Unknown* (Jock Mahoney). 5.15 Mork and Mindy. 6.00 Scotland Today 6.30 Emmerdale Farm. 8.00 Streets of San Francisco. 10.30 Ways and Means. 11.00 Late Call. 11.05 Film: Cold Sweat (Charles Bronson).

Granada
As London except: 11.50 am Bubbles. 1.20 pm Granada Reports. 2.00 Live From Two. 2.45 Film: They Don't Clan Losers. 5.15 Granada Reports. 6.00 Granada Reports. 6.30 This Is Your *Right. 6.35 Crossroads.* 10.30 Soap. 11.00 Public Office. 11.30 Film: Straight on Till Morning.

(continued on page 28)

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". . . while they beheld, (Jesus) was taken up; and a cloud received him out of their sight." — Acts 1: 9.

BIRTHS

SHRMAN.—On 13th May, 1980, to Edwina and Hugh—a son (Patrick).

HALL.—On May 13th, 1980, to Carolyn (nee Lloyd) and Joe—a son (Jack), a brother for Rosie.

HITCHMAN.—On 13th May, to Jay (nee Allfree) and Richard, a daughter (Beatrice Marion Audrey).

ROBSON.—On 4th May, to Philip and Renée—a son (Harry Christopher Sherlock).

SMITH.—On 7th May, 1980, at Cambridge to Aldyth (nee Anthony-Jones) and David—a daughter (Bethan), a sister for Sion.

WATTS-RUSSELL.—On May 13th at Irvine Central, Susan (nee Elliott) and David—a daughter (Miranda), a sister for Edward.

WEINBERG.—On May 14th, in Johannesburg, to Charmaine (nee Bryce) and Robert, a daughter, Katherine Jane.

WELFARE.—On 13th May, to Nicky (nee Woods) and Hum—a daughter (Philippa Mary), a sister for Becky and William.

WILLIAMS.—On May 12th to Gay (nee Sommerhayes) and Raymond—a daughter (Michelle Jacqueline Adele).

WOODWARK.—On May 14th, 1980, to Flavia (nee Scarlett-Smith), and John—a son (Toby William), a brother for Alice.

BIRTHDAYS

LESLIE-ANN REED.—Happy 21st birthday.—Love from Mummy, Daddy and Claire.

MARRIAGES

McNICOL : JUCKER.—The marriage took place in Epping, on 10th May, 1980, between Iain, elder son of Leo and Chris McNicol, of Dudley and Antoinette, elder daughter of Maureen and the late George Jucker, of Epping.

SHARMAN : FRYE.—On 13th May, 1980, the marriage took place quietly in London between Robert Sharman and Tessa Frye (nee Lomax).

GOLDEN WEDDINGS

CLAXTON : STEVENSON.—On May 16th 1930 at St. Marks, Cheltenham, Charles Robert to Jane.

DEATHS

AMPHLETT.—On 13th May, Ethel Constance, beloved wife of the late Edgar Montague Amphlett, C.B.E., M.C. Service St. Nicholas Church, South Fleet, Kent, 10.30 a.m., 19th May, followed by private cremation.

BARRON.—On May 14th, 1980, Ronald Spilsbury, of Holly Cottage, West Lowington, Wiltshire, husband of the late Meg Barron and father of Michael and Rosalind. Funeral service at All Saints Church, West Lowington, at 3 p.m. on Tuesday, May 20th. Garden flowers, or donations to The Sue Ryder Foundation, Cavendish, Suffolk.

BIGG.—On 13th of May, 1980, suddenly, at his home in Sevenoaks, John Bigg, aged 69 years, much loved brother of Joan and Michael. Funeral service at Chevening Church, on Monday 19th of May at 12.00 noon. No flowers please, but donations if desired may be sent to League of Friends Princess Christians Hospital, Hildenborough, Kent. Enquiries to W. Hodges and Co., Sevenoaks 54457.

CAVE-BROWNE-CAVE. — On May 15th 1980, in Germany, Bryan William O.B.E., of Birket Houses, Winster, Windermere, beloved father of Claire, Myles and Elise and grandfather of Stephan, Laura and Matthew. Cremation private. Memorial service on June 15th at Cartmel Fell Church.

COLFER.—On May 15th, 1980, in Germany Anne ("BB"), beloved wife of Bill and mother of Nicholas, Alexandra and Sarah. The funeral will take place privately in Germany, no flowers, donations if desired to be sent to cancer research.

CROSLING.—On May 9th, suddenly and peacefully, at home, William Hutchinson, dearly loved husband of Pauline and father of Veronica and Stephanie. Service in France May 16th.

FORD.—On 13 May, at 114 Mount Street, London, W.1, peacefully, Father Charles Desmond Ford, S.J., aged 64. Requiem Mass at the Farm Street Church, London, W.1, on Tuesday, May 20, at 10.30 a.m.

GARDNER.—On May 14th, at the Ramsey Cottage Hospital, Edward James Chatfield, aged 68 years, much loved husband of the late Marjorie, of Dreem-Ny-Gecey, Grove Mount, Ramsey, Isle of Man, and beloved brother of Audrey. Funeral service on Tuesday, May 20th, at Lezayre Parish Church, at 10.30 a.m., followed by cremation at the Douglas Crematorium. Inquiries and flowers to Corkhill & Callow Ltd., 34 West Quay, Ramsey, Isle of Man (0624 813111).

HAMILTON.—On 14th May, peacefully at University College Hospital, London, Jessamy, beloved wife of Geoffrey and mother of Keith and Hilary. Funeral service for family only at Charing Crematorium on Sat., 17th May, at 10.30 a.m.

HOWARD.—On May the 14th, peacefully, at Budleigh Salterton, Kathleen Gladys Tibbits, aged 96, widow of Frank Sheffield Howard. Funeral service on Tuesday, May 20th at 2.30 pm, at East Budleigh Parish Church.

JESTY.—On May 13th, Kenneth Wing Jesty aged 75 years of Sunlyn, Allington Park, Bridport, Dorset. Beloved husband of Hettie and dear father of Jonathan, Christopher and Amanda. (With the British Council for 35 years as Director of Accounts). Funeral service at Yeovil Crematorium on Tuesday May 20th at 11.30. No flowers or donations by request please.

MACKAY.—At 100 Fairfield Road, Inverness, on 15th May, 1980, William (Pensioner of the Chartered Bank), beloved husband of Rhona Couper and father of Anne, Donald and Ross. Service on Monday, 19th May, at 12 noon in Messrs John Fraser & Son's Funeral Home, 17/29 Chapel Street, Inverness, to which all friends are respectfully invited thereafter. Cremation private at Warriston Crematorium, Edinburgh. No flowers, by request.

MORRIS, CHRISTINE ANNE, loving wife of Ian, mother of Helen and Paul, ... died peacefully at home on May 14th, 1980 ...

SHANKS.—On May 14th, peacefully in his home ...

STURRIDGE.—On May 15th, Helen Marie ...

TUPPER.—On May 15th, 1980, Captain Henry ...

WOOLMER.—On 14th May, 1980 ...

ZEPLER.—On 13 May, 1980, in Southampton, Emeritus Professor Eric Ernest Zepler ...

FUNERALS

MARSHALL, NORMAN JAMES ...

MEMORIAL SERVICES

BICKLEY ... CHATAWAY ... PROCTOR ... SPANTON ... TEGNER ...

IN MEMORIAM

AGAZARIAN, NOEL LE CHEVALIER F.O., Royal Air Force, V.R., killed in action 16th May, 1941 ... "Detur Gloria Soli Deo".

BRITISH LIBERTY ...

FERGUSON.—Always remembered ...

FORTHCOMING EVENTS

VISIT the 16th Buxton Antiques Fair at the Pavilion Gardens, Buxton, Derbyshire. May 10th–May 17th, inc. Hours, noon–9 p.m. Last day closing 6 p.m.

ANNOUNCEMENTS

ROWSON, JOHN ROWSON ...

THAMES LECTURE CRUISE ...

ARE YOU FED UP with the rat race ...

LIVING WITHOUT SEX ...

GARDENS designed. See services today.

ONEDIN line vessel, from Dartmouth. See U.K. holidays.

FITZROY SQUARE, W1.—Luxury flat. See Short Lets.

ASCOT BOX, whole year including Royal Week available. See under For Sale.

W.8. Fully furnished Mews house Ref. Rentals.

GUERNSEYS GALORE have a new shop. See For Sale col.

YOU WILL ENJOY helping a lonely old person through one of Contact's Sunday afternoon outings once a month. Volunteer drivers with cars needed. Phone 01-240 0630.

YORKSHIRE DALES C. H., children and pets welcome. See U.K. Hols.

EXPERIENCED Nanny travel Britain and U.S.A.—See Domestic Sits.

PIANO LESSONS? See Mrs. John Ogdon, Services column today.

NURSE/INTERVIEWERS required by Agency—see Non. Sec. Appts.

IN BEREAVEMENT . . . send your tribute in a form that never fades—with a donation to help old people in need. Help The Aged, Room T88, 32 Dover Street, London, W1E 7JZ.

CRABTREE LANE, Fulham.—See London and Suburban Property.

S.E.20.—12-room Victorian semi: See London & Suburban Property.

THE BEATLES together. See autograph book. For sale today.

MARTIN.—You are wonderful. Congratulations on passing your law exam. Semper fidelis. Judith. X.

HAPPIER LIVES for lonely old people can be provided by your Will. Please include a bequest for the National Benevolent Fund for the Aged, 12 Liverpool Street, London EC2.

The Times Crossword Puzzle No 15,224

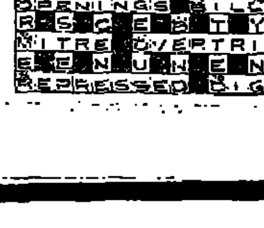
ACROSS

1 Result of unwise drinking from this Roman vessel? (6).
5 A watercourse includes a spring in this case (8).
9 She won the gold but lost the race (8).
10 Flag for an anti-bomb marcher (6).
11 Well-cooked chips are heavenly, of the highest order (8).
12 "La belle Dame sans Merci Hath thee in ——." (Keats) (6).
13 Leaders of Sea Cadets often pressed and given the cat (8).
15 Does some work, we hear, with this tool (4).
17 This race for wine, or to get unemployment benefit? (4).
19 Heir assertive is making a row about one (8).
20 Sunny side up? (6).
21 French working girl's wild tiger ate Egyptian god (8).
22 Old tax return in this was somewhat alarming (6).
23 Tompion on the look-out? (8).
24 Line by Lucian possibly—like Mrs Glasse's (8).
25 Portia was one come to judgment (6).

DOWN

2 I misprinted "brave" (8).
3 Breakdown of everyone climbing in the little wood (8).
4 Hit the wood in Devil's Combe, Hindhead (5-4).
5 'ware a car gaudily weaving about on this (4, 11).
6 Like eggs taken on a shining night in Lincs (7).
7 Beat a Nazi riot in Africa (8).
8 Had Harold only omitted his upward look! Fortune was so unkind (4, 4).
14 Iced meat, a variety that's lost much flesh (9).
15 It's held up by a mugger briefly—quite a puzzle (8).
16 Such a light in the sky, from these signs? (8).
17 Gilbertian fairy's son, out of Perth possibly (8).
18 Ancient city whose queen did nothing (8).
19 Transmit from vantage point outside Nova Scotia (7).

Solution of Puzzle No 15,223



PERSONAL COLUMNS

ALSO ON PAGE 27

ANNOUNCEMENTS

REPUBLICANS ABROAD

Delegates to Republican National Convention

All Republicans of voting age residing abroad and who have not voted in a State Presidential Primary are entitled to vote for delegates to the Republican National Convention in July.

Write or phone for a ballot form to be returned to The Hague by 26th May: Republicans Abroad, 58 Coleman Street, London, EC2R 5BE. Tel. 01-628 0101.

ANNOUNCEMENTS

CANCER RESEARCH

We look to YOU for help, because without the generous aid of the public our work could not be continued (we have only voluntary support to rely on). Please send a donation or in Memoriam donation to: Imperial Cancer Research Fund, Room 160AC, P.O. Box 123, Lincoln's Inn Fields, London, WC2A 3PX.

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Fine . . . Ring 01-770 5149 Now and we'll send you information on "Bacchus". Its people . . . Friends . . . a social scene beyond your imagination and a challenge to your conscience.

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PORTO ERCOLE, ITALY.—Luxury villa. See Hols. & Villas.

CLUB ANNOUNCEMENTS

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EEL BARGE. Length 120ft., beam 20 ft., draught 4ft. Contains 13 wet wells 20ft. x 8ft. x 4ft. Ideal for storage of live eels or cultivation of oyster spat, for sale or to let on salt water mooring. Appointment to view write Paglesham Oysters. Box 1074 F, The Times.

UNIQUE OPPORTUNITY. 34ft. sailing cruiser with new type rig for singlehanders. Deckhouse, autopilot. Launched '77. £25,000 o.n.o. Beaulieu (0590) 612220.

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Ringo Starr and Robin Cruikshank's unique and original furniture and accessories.

Your last chance to own an exclusive item.

Prices from 50p to £2,000. 14 RATHBONE PLACE, W 1 9.30-5.30 Mon.-Fri.

UK HOLIDAYS

IRISH COTTAGE, Kilkee Co. Clare. Lovely beach and scenery. Riding, golf, fishing, babysitter, sleeps 4. May onwards, from £50-£90 weekly.—Maidenhead 27586.

ONEDIN LINE.—Traditional 90 ft ketch cruises. Dartmouth SW & Channel Isles. 2 wks. incl. from £100 p.w. Baker 0626 890758.

NORFOLK.—Cottage to let in June. Blakeney 2 miles. Sleeps 5, £75 p.w.—Tel. 032 875 276.

COTSWOLDS, PERIOD COTTAGE. Sleeps 3/4. Vacancies in Aug/Sep.—038576 319.

PICK raspberries in Scotland late July—mid Aug. Send large s.a.e. to Vac Work, 9 Park End St., Oxford.

EDINBURGH CENTRAL. Flat for four persons, five minutes from Princes Street. Available July until end of September, from £80 p.w.—Tel. 031 228 6479.

NORTH DEVON GEORGEHAM. Quiet village near coast, modern house, sleeps six, available most dates, £60-£150 p.w.—Phone Upper Warlingham 2877.

OFFA'S DYKE FOOTPATH. Comfortable cottage, sleeps 5/6, glorious views. Hiking, pony trekking, etc. £95 p.w., reductions over 2 wks.—01-435 3919.

S. DEVON. Large farmhouse in beautiful hilly countryside overlooking River Dart. Sleeps nine, £170-£195 p.w.—Phone 01-581 3692.

RIVER VIEW. Farmhouse sleeps 5. Close historic Colchester, sandy beaches, sailing, fishing, riding, bird watching. Available June-Sept. From £50 p.w.—Tel 020 628 256.

UK HOLIDAYS

CANTERBURY

Country Hideaway only 15 minutes from Cathedral. 1½ hrs from London. Self-contained flat in Tudor farmhouse, sleeps four comfortably. Available now, long lease or holidays Ring Herne Bay (02273) 2055 (evenings) or Thanet (0843) 61413 (daytime).

FAMILY ACTIVITY HOLIDAYS at Marlborough College, Taunton School and Eton College. Over 100 courses available. 20th July-23rd August. Ages 7 yrs.-70+. From £50 per week, fully inclusive of accommodation, meals, tuition and entertainments. For brochure, telephone (0672) 52011 (24 hours) or write to Brian Ashley, Independent ...

SHORT LETS

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GET AWAY

VENTURA HOLIDAYS

JET TO CORFU

ATHENS OR CRETE

From Gatwick Manchester from ...

ASK FOR SUNJET BROCHURE TEL. 01-351 3166

ABTA member ATOL 382B

PORTO ERCOLE, Tuscany, Italy. Luxury villa ...

CORFU.—Villa in non-touristy village on west coast. Available 24th May to 21st June. £80 p.w. 0633 30601.

EUROPE or World wide? Euro-check Air Agency.—542 4614.

SNIP OF THE WEEK from Jill Fairfax: Estartit, Llafranch & Tamariu, Costa Brava: villas for 2-4, close beach, £95 per adult, £65 per child for 15 days incl. day flight. Dep. 30 May. No surcharges, no snags. Ring at Starvillas, Cambridge (0223) 69622 (ATOL 617B).

FLIGHTS TO FARO from Luton every Friday at 1850 hours. Costs £79 plus £8 fuel surcharges plus airport taxes. ATOL 1007BD ABTA. Euro-Plan Holidays Ltd. 021-373 3608.

STOCKHOLM package. Thursday-Sunday. B.A. flights from Heathrow and hotel incl. £120. Tel Hamilton Travel, 01-734 5122. ATOL 882B.

PROVENCE.—Rural hillside cottage 30 miles St Maxim, sleep 5/6. June £70 weekly. July, August, mid-September, £90, second half September, October £70. 0567 62466 after 7 p.m.

GASSIN, 5kms St. Tropez, hill village house, panoramic sea views, sleep 3/4. June £150 p.w., July, Aug. £160. Sept £150 p.w.—Box 1178 F, The Times.

FARMHOUSE, S.W. France, sleeps 6, June, September only. 079-882 257.

CORFU.—Lovely village house, sleeps 4/6 from £70 inc. Phone 435 0740 eves. and weekends.

HOLIDAYS AND VILLAS

GREEK ISLANDS TOP VALUE—LOW PRICED HOLIDAYS

We offer holidays to 6 beautiful islands at prices that are the envy of other tour operators. Prices shown are per person for two weeks and include guaranteed Jet Flight and 14 days in twin bedded Village or Taverna Rooms

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ATOL 1315B

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SUMMER SKIING

SOME LIKE IT HOT

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APEX fares to Switzerland

SCHEDULED FLIGHTS

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LOW COST FLIGHT SPECIALISTS

AFRO-ASIAN TRAVEL

BUDGET ISRAEL

JET—SHIP—JET

EUROPE, EUROPE, EUROPE.—Jet Air Agts. 836 6019/6202.

LATIN AMERICA TRAVEL.—Contact the experts. Tel.: 01-935 6849. Airline Agents.

GREECE BY GREEKS. Phone us for real bargains in May and June. Inclusive tours or flights only to the islands. Olympos Tours. Tel. (01-488 1686. ABTA ATOL 325B.

CORFU PRIVATE VILLAS and houses at good prices for 2-9 persons. All dates. Woldingham 2236.

GREECE—Spetses island. Vacancies in self-catering, hotels, and our own pension. May & early June at bargain prices from £30 p.p. p.w. Also high-season availability at sensible prices. Brochure: Laskarina Travel (062 982) 2445/2303.

CORFU.—Writer's Venetian villa. Exceptional location and peace. 10 minutes beaches and town. Modernised, 5 bedrooms, permanent maid and gardener. Available except August. £200 weekly. Tel 01-723 8534.

HOLIDAYS AND VILLAS

VIVE LES VACANCES! VIVE LA DIFFERENCE!

When it comes to France we certainly know our ... and can still offer some very interesting holidays.

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Fly-drive from £140pp for 2 wks for up to 4 people.
Flights only to Bastia and Ajaccio £70.
Not to mention our luxury self-catering villas (with swimming p... for 2 to 7 people from £179pp 2 wks throughout June.

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Houses still available in May and June.

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The relaxing way of seeing France, cruising on the Canal du ... Availability 17th-24th May from £99pp 1 wk.
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Phone TODAY for availability and brochure.

VENTURA HOLIDAYS

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279 South Road, S... Tel: (0742) 333392

Access/Barlaycard welcome

ATOL 1170BD

SPECIAL MAY OFFER

2 WEEKS SOUTH OF FRANCE DEPT. MAY 16th MAY 23rd, MAY 30th FOR—£79 ? ? ?

Between Marseilles and jet-set St. Tropez lies a beautiful pen... jutting south into the clear blue Mediterranean, La Presqu'il... Giens, "almost an island". The French claim it has the ... climate in France: 300 days of sunshine. For the above price... travel by modern luxury air-conditioned coach, and then you... accommodated in superb, fully equipped, purpose-built frame... in a beautiful location.

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International Camping France,
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London, E.C.4.

GETAWAY—GETAWAY—GETAWAY
GETAWAY—GETAWAY
SEA—SUN—SAND—SIGHTSEEING
SURFING—SAILING
GETAWAY—GETAWAY—GETAWAY
GETAWAY—GETAWAY
DANCING—DIVING—DREAMING—DISCO
GETAWAY—GETAWAY—GETAWAY
GETAWAY—GETAWAY

Whatever your choice, find it in The Times "Late Booking Holidays" feature appearing inside the paper on Saturday, 17th May.

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OVER £50 OFF!

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SOS

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UNITED AIR TRAV...

BIG SAVES WITH SAM £ £

FLY * FLY * FLY * GREECE, SPAIN, ITA...

HOTEL FAWLTY ON THE GREEK ISLAND OF POROS

(continued on page 27)

Printed and Published by Times Newspapers Limited ... Registered as a newspaper at the Post Office.

هكذا من الأصل

National Association of Pension
...s is meeting in Brighton today.
...w, its chairman, **Michael Pilch**,
...es the industry in its political
...text. Is there, he asks, a statesman
...e House?

Pensions

Cartoons: David McKee

...974, after 17 years of political bicker... marked by the rise and fall of three ...sponsored earnings-related pension ...nes, a truce was declared. Recogni... finally dawned that a price was ...hed to all the party fun and games ...ed by parliamentarians over the ... The cost could be measured in terms ... stagnant social security system and ...nuing, or increasing, dependence on ...lementary benefits.

...bill for all the abor...lls had been paid by ...ers. Credit for the ...nce of a bipartisan ...h to social security ...en given by general ... to the late Brian ...y, but it should be ... with Conservative ministers of the day. ... Sir Geoffrey Howe. ...es two to make an ...ent, and the subse... history of consulta...d cooperation culmin...n the Social Security ...s Act 1975 reflected ...on both parties.

...s that this statesman... approach to social ... might set a precedent have been dashed by the reversion to party politics and filibustering tactics that have marred the present Parliament. Hansard reports on the House of Commons Standing Committee for this year's Social Security Bill make disturbing reading.

It is sad that a committee of men and women, from both sides of the House, with proud records of compassionate commitment to pensioners should spend four and a half hours arguing about such vital issues as the days on which they should meet, before getting down to serious discussion of the Bill itself. Few members of the committee addressed themselves at any time to the technical content of the legislation, and when the National Association of Pension Funds put forward a minor, though important, practical suggestion for improving pension transfer arrangements, it was talked out without a vote.

Both parties are to blame for the impasse, though the Government should perhaps shoulder the main share for failing to take the initiative. The clumsy way in which it presented the case for breaking the link between the basic state pension and national average earnings made its action seem more provocative than it need have done.

Opposition spokesmen, on the other hand, have done little to encourage a less belligerent attitude. Mr Stanley Orme holds his views strongly and sincerely. The stance which he takes up on any major issue, strangely perhaps for such a staunch trade unionist, tends to be non-negotiable. He has consistently opposed any bipartisan approach and, even if an olive branch had been offered to him, might well have broken it over the head of the person concerned.

Pensions cannot be taken out of politics, but nobody can justify petty, party point-scoring at the expense of pensioners. In the five years that have elapsed since the Social Security Pensions Act reached the statute book, it has become increasingly obvious that no worthwhile progress is ever likely to be made without agreement between the parties. The bipartisan approach is essential to the resolution of any major pensions issue, because it is impossible to effect the necessary changes within the timescale of one, or even two parliaments.

Sir Geoffrey Howe, Chancellor of the Exchequer, a champion of the bipartisan approach to social security.

Mr Stanley Orme, MP, former Labour Minister of Pensions: stance on big issues "tends to be non-negotiable".

The most urgent of the outstanding questions is probably the need for equality of retirement ages between men and women, but there are other aspects of equality of the sexes and retirement ages that merit further study.

All raise complex problems, solutions to which are likely to involve radical change and transitional arrangements lasting 20 years or more. Even if we make a start now, it will take us till the end of the century to resolve them.

Flexible retirement is a natural goal, but neither party is likely to score as long as the game remains a political football. There is wide agreement on the desirability of the objective, but a lack of agreement on how to get there. Reducing the male pension age to 60, seen by some as a natural first step along this road, may in practice rule out for the foreseeable future any progress towards a more flexible system based on personal choice.

The protection of pensions in payment against increases in the cost of living is another problem that is unlikely to be solved by party politics. Essentially it concerns the transfer of resources from the working population to the retired and, while this must remain a political decision, it is not sensible to make radical changes every three or four years.

Naturally, the emphasis must alter with the political complexion of the party in power, but any change of direction should take the form of a touch on the tiller rather than a complete about face.

Preservation of pension rights on changes of employment, being essentially a matter of priorities, raises problems of a different sort. It is not easy to discern any pressure for changing present law or practice coming from employees, generally, or employers.

The Government has turned its back on any move to encourage transfer payments, to judge from its attitude to the National Association of Pension Funds amendment to the Social Security Bill, and job-changers would not take precedence over pensioners, or for that matter widows or other dependants, in terms of priority for benefit improvements on many people's lists.

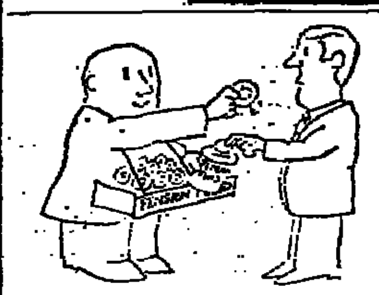
Certainly, if the Occupational Pensions Board is able to solve this dilemma, it will require agreement between the parties to give it effect.

Perhaps most important is the wider and continuing debate over the role and responsibilities of the elderly in society. For any real improvement in their situation, retired people in Britain are heavily dependent on a renewal of the spirit underlying the bipartisan approach to pensions. Politicians must be told that if they waste the next 17 years, as they frittered away the years before 1974, future generations of pensioners will hold them accountable for their neglect.

Is there a statesman in the House?

ON OTHER PAGES

PENSIONS



Pat Healy looks ahead on the second birthday of the earnings-related scheme and **Margaret Stone** talks about worker participation

A long-range strategy to beat poverty trap

The return of pensions to the party political arena may have obscured the fact that thousands of people now on the point of retiring can expect pensions up to £3 above the basic level. They are among the first beneficiaries of the new state earnings-related pension scheme, which achieved its second birthday in April.

There are now about 110,000 pensioners receiving extra pension under the scheme, and about the same number who would qualify for some extra state pension if their own occupational pensions do not have an inflation-proofing guarantee.

But there is, as yet, no groundswell of either gratitude or resentment about the scheme. When it has been raised at meetings attended by pensioners in recent months, there has been a general welcome for the prospects the new scheme offers in the future but little recognition that it is actually affecting incomes of present pensioners.

Age Concern commented, perhaps a little acidly, that "contrary to expectations" its information department has had almost no comment or inquiry about the scheme from pensioners. Perhaps, it suggested, the present level of the benefit is so marginal that many pensioners do not realize they are getting extra money, or if they do, feel it unworthy of comment.

Nevertheless, the scheme remains attractive for future pensioners at most income levels. Already the 110,000 people known to be receiving some extra pension from the scheme will have recouped much of the higher national insurance contributions they had to pay to qualify. Like future pensioners, they also have the guarantee that the extra pension will at least be protected against rising prices.

That guarantee will mean that the maximum earnings-related additional pension will rise by 16½ per cent this November, producing a new top level of £3.45 a week. However, the guarantee itself has taken a knock because of the performance of both the last Labour government and the present Conservative administration, and because of the latter's new attitude to pensions indexation.

For two successive years, government forecasts of inflation have proved wrong, and already there are indications that the 16½ per cent forecast for price increases between November, 1979, and 1980, will prove too low. The Government is bound by law to increase pensions and other benefits each year on the basis of the best forecasts available at the time.

The High Court has established effectively that the Government can choose its own forecasting method. But it also established that there is no statutory duty to make good any shortage caused by getting the figures wrong.

In November, 1979, the present Government fulfilled its election pledge by making good the shortage the previous year caused by its predecessor's underestimate of earnings increases. But it is refusing to make good the 1.7 per cent shortage in its own forecast of the increase in earnings between November, 1978, and 1979.

The Government argues that, since there is no legal obligation to make good the shortage, it has fully complied with the statutory requirements by putting into effect this year's increase on the basis of the best possible forecasts. Another deterrent in making good the shortage was that it would have cost an extra £195m in a full year.

That is little compensation to pensioners whose increases take effect after inflation has occurred. The increasingly vociferous pensioners' organizations that have links with the trade union movement claim that pensioners are on a treadmill which stops once a year to let them catch up, but continues thereafter for the next 12 months.

That view is not entirely fair because pensions have broadly stayed ahead of inflation, mainly because of the more frequent increases applied since 1974. But the actual performance in the past two years of government forecasting, as well as the decision that in future pensions will be linked to prices only, instead of to both earnings and prices, casts doubt on the accuracy *of future indexation.*

So far, the earnings-related additional pension has not been affected by the shortages because it has been linked only to prices. But inaccurate forecasting in future will clearly affect it.

The scheme still has 18 years to run before it matures fully, and it still enjoys all-party support and the respect of the private pensions industry. The occupational pensions industry is still not able to provide for all workers, and it has not yet proved capable of providing pensions that withstand the ravages of inflation.

That is shown by the number of existing occupational pensioners who have to resort to supplementary benefits to bring their incomes up to the official subsistence level. About 200,000 occupational pensioners draw supplementary benefits, as well as 4,000 widows with private pensions.

Leading private pension interests have suggested that the state scheme provides a better prospect for all except those with consistently high earnings. Nevertheless, 10 million workers are in occupational pension schemes providing good enough cover to opt out of the state scheme. But they have the extra guarantee that the state will provide the same inflation proofing up to the level of the earnings-related pension that they would have received if they had been covered by the state scheme instead.

The eventual aim is to provide combined pensions close to final salary for the low paid by 1988, with married men on average earnings retiring on half salary. The higher paid will get proportionately less, but are nevertheless offered pensions of at least a third of their final earnings.

A deliberate objecti[…] to raise state pensions [to a] level where few re[…] people will have to resc[…] supplementary benefi[ts to] bring their incomes u[p to] subsistence level. […] neither the last nor [the] present Government ha[s been] able to do much for [the] existing pensioner be[yond] simple indexation, the m[atur]ing of the earnings-re[lated] scheme will inevitably [pro]duce a widening gap bet[ween] the already retired [and] future pensioners.

That is the main wor[ry of] Age Concern. As the sc[heme] matures, it expects to re[ceive] increasing complaints [about] the wide discrepancie[s be]tween people who have [been] in well paid jobs for [most] of their lives, and [those] whose pensions will be [con]siderably lower because [they] have had long period[s of] sickness, unemploymen[t or] low pay. For such pe[ople] Age Concern believes [the] new state scheme offers [little] protection, particularl[y as] the indexation link [to] earnings is disappearin[g and] the *prices* link is ope[n to] inaccurate forecasting.

Much can change i[n the] next eight years, how[ever,] and both big parties re[main] committed to enabling [pen]sioners to share in [rising] standards of living. Fulf[illing] that commitment is vi[tal if] the earnings related sc[heme] is to succeed.

The author is Social Se[rvices] Correspondent.

Appointment of trustees not just by trade unions

It is nearly four years since the outgoing Labour Government upset the pensions industry and employers with a White Paper which proposed legislation to give a statutory right to recognized independent trade unions to appoint 50 per cent of the controlling bodies—the pension scheme trustees.

This contentious and politically motivated proposal flew counter to the objective advice given a year earlier by the Occupational Pensions Board, an independent body of pension experts, when the OPB published its views on disclosure and member participation in scheme management. It recommended instead the voluntary adoption of a code of good practice, the details of which would have to be worked out.

The outcry against the Government's White Paper was not about the concept of member participation. Some companies, such as ICI and Unilever, had long practised such a philosophy; for others the idea was novel, but immediately attractive and right for the times. No, what was vehemently opposed was the Government's rejection of the idea that all members should have a say in appointing member trustees in favour of the more narrowly based selection by trade unionists alone.

The Confederation of British Industry, predictably enough, was opposed to the proposals and backed its opposition with the results of an independent survey which showed that as many as seven out of 10 people objected to the Government's plan to give trade unions the sole right to appoint half the management bodies of company pension schemes.

The CBI also took the opportunity to canvass its members to find out just what existing practice was in respect of member participation. It carried out a separate survey among the largest private sector companies to establish the extent of members' participation in pension scheme management. It had replies from 100 such companies, covering altogether 1,640,000 scheme members.

The returns showed that 43 per cent of the members had full participation in the management of their pension scheme; that 11 per cent had partial participation in management—the management body not being responsible for the control of investment; and that a further 27 per cent were in schemes whose companies were working on plans for participation.

The survey also showed that in schemes with member participation 75 per cent were in schemes where nomination or appointment was made to the management body by all the members. At the other end of the spectrum 20 per cent were in schemes where appointment was through trade unions alone, and 5 per cent were in schemes where appointment was partly by members and partly through trade unions.

The survey was last updated at the end of 1978 and showed an encouraging trend. Out of the 100 companies originally questioned, 56 had member participation in the management of their main schemes, compared with 41 18 months earlier. A further 26 companies were working on plans for its introduction.

It is a moot point where the impetus for introducing member participation has come from. Metropolitan Pensions Association, a leading firm of employee benefit consultants, believes that the general trend towards member participation was established well before the abortive White Paper which, if anything, retarded progress in this area as companies froze their plans because of uncertainty.

On the other hand, it does seem likely that the threat posed by the White Paper has galvanized other companies into taking immediate action to secure universal participation in their pension schemes, as opposed to merely trade union membership, in order to forestall any further attempts to reintroduce this unpopular measure. Under a Conservative Government the threat is minimal.

Three companies which have introduced member participation are Wilkinson Match, Amalgamated Power Engineering and Renold.

Wilkinson Match first mooted the idea when it planned harmonization of its pension schemes after the merger of Wilkinson Sword with British Match. The White Paper confirmed the company's thoughts that 50 per cent of the trustees should come from the workforce.

Renold built member participation into its new scheme for the hourly employed back in 1975 and has now extended it to its staff scheme. Previously, trustee members were selected by the management, but now the principle for both schemes is nomination by all members. However, selection is in the hands of a body jointly made up by the management and unions.

Amalgamated Power Engineering's member participation is a direct outcome of recent pensions legislation. At the time of the great contracting-out debate, the company let it be known that if the decision was to go outside the state scheme a new pension company would be formed with scheme members having half the eight seats on the board, excluding the chairman.

The trustees' function does not include debate over benefits or alterations to the scheme, and now that the scheme has been transferred to pensions investment subsidiary of a major insurer, their role is limited la[rgely] to exercising the discr[etion]ary powers of the tru[stees.]

Whether this valuabl[e, if] not politically powerfu[l, out]come of increased me[mber] participation will ultim[ately] be considered sufficie[nt by] the workforce, belongi[ng to] a trade union or not, re[mains] to be seen.

The author is Editor, [Per]sonal and Investment [Fin]ance.

The National Association of Pension Funds, meeting for its annual conference in Brighton this week, exists as a forum for discussion between pension fund managers and others concerned with the design, administration and financial well-being of pension funds. Formed more than 50 years ago, it is the only body which represents the interests of all types of occupational pension arrangements in the public and private sectors, whether insured or privately invested.

The association represents employers and employees, and its overriding concern is the security of employees and pensioners. Its membership consists of about 1,600 pension funds and about 400 pensions advisers.

Today's agenda

Provision of information to members: discussion of a draft code of practice (introduced by Mr K. M. McKelvey, Duncan C. Fraser).

Pension funds and the City (Mr Denzil Davies, MP).

Minicomputers and microprocessors (Mr J. Turnbull, National Computing Centre).

Direction of investment: overseas experience (Mr Tom Heyes, deputy investment manager, ICI).

Impact of Europe on United Kingdom pensions (Mr D. E. Boden, William M. Mercer, Benefits).

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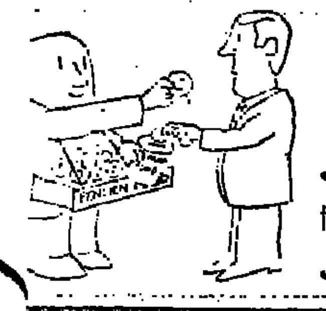
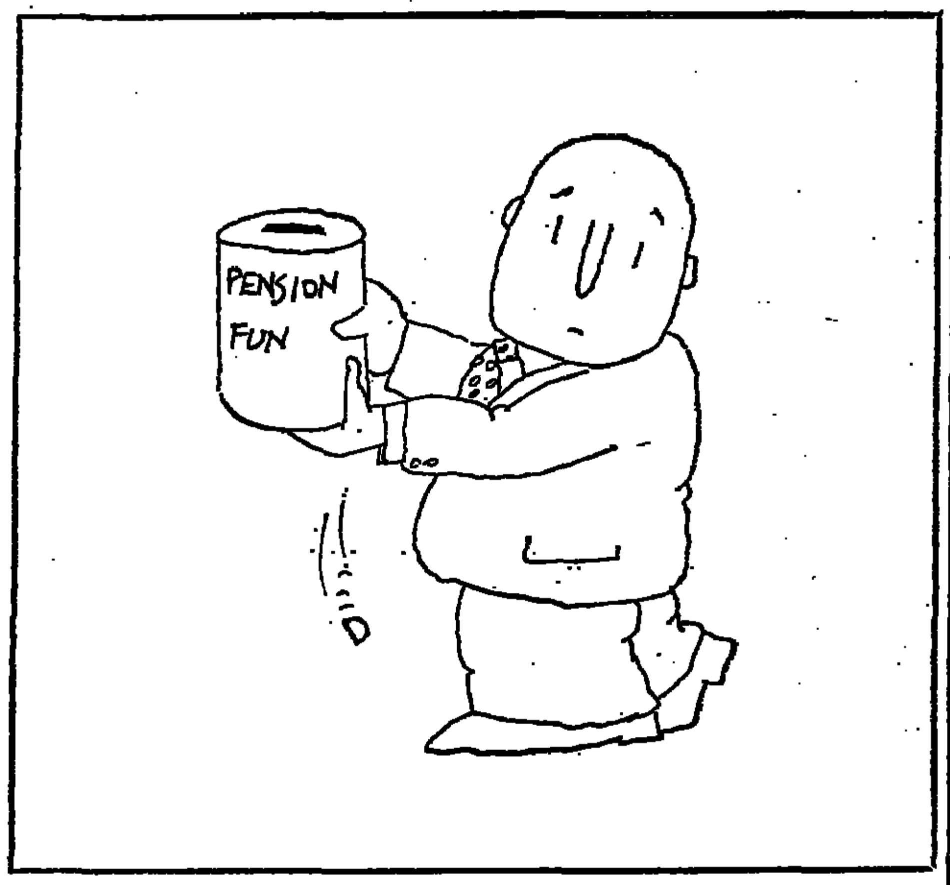
PENSIONS



John Gaselee writes on provision for the self-employed, and **John Jenkins** on retirement education

New freedom to contribute the full amount



his year's Budget, ho are self-employed id grounds for think- the Government was nating against them, iexion with pension n, compared with, director of a family y. Some useful im- ents were announced Budget, and, perhaps, ide-ranging review the Government is king will result in favourable changes. mount which anyone self-employed can ite to a personal pen- olicy, receiving full tax on the contribu- being increased from cent to 17½ per cent relevant earnings for born in 1916 or later gher percentages, on g scale, applying for orn earlier). While s a comparatively increase, it is that the definition elevant earnings shall red. For most of ho are self-employed, ould result in the of net relevant earn- eing higher, thus it possible to contri- larger amount to a

rive at net relevant s, no longer will per- arges, such as mort- terest or alimony pay- be deducted from s. Nevertheless, in to capital allow- nd losses, stock relief int as a deduction.

e past, those with net t earnings in excess 000 have thought it arly unfair that their contribution should een limited to £3,000, fectively bringing it the figure of 15 per net relevant earn- ow, there is to be no nonetary limit, which that those with high s can contribute the per cent.

hieve anything like a ble pension at retire- probably anyone who employed should con- the maximum of 17½ t regularly each year, n early age to retire- n practice, that may possible.

In the early years, despite the tax relief, a self-employed person cannot necessarily afford to make this type of pension contribution. Probably he has other financial pre-occupations, such as buying into a practice, repaying a mortgage and, possibly, trying to educate children privately.

Fortunately, the Government is introducing a carry forward procedure so that any right to make a contribution which is not fully taken up can be carried forward to a subsequent year, for a maximum of six years. Unfortunately that does not necessarily solve the problem.

Ideally, those who are self-employed would like to be put in a position comparable to controlling directors of companies, where if necessary substantial top-up *contributions can be made* during the few years before a director will retire. As it is, there are plenty of professional self-employed men and women, nearing retirement, who have been restricted to low levels of contribution since this type of contract was introduced in 1956, and they have no means of boosting the pension benefits which have been bought.

Improvements, also, are being made as far as death benefits are concerned, for the self-employed. Traditionally, if a policy-holder has died before taking his pension, insurance companies have returned the premiums which have been paid—*either without interest*, or with interest calculated at a modest rate. Gradually, however, traditional life offices are copying the unit-linked offices, which return the value of units allocated.

A number of life offices have announced that they will return premiums together with interest at a *higher rate than in the past* or, in some cases, will pay out the full fund accumulated to date on behalf of the policy-holder.

In the past, such benefits have had to be paid into the policy holder's estate. Now, legislation is being introduced so that the benefit can pass to dependants (for example children) free from capital transfer tax.

No change has been made to the maximum premium which can be paid towards an associated life policy. The limit remains at 5 per cent of net relevant earnings, subject to an upper limit of £1,000. Any such premium, which ranks for full relief of income tax, counts towards the overall pension contribution of 17½ per cent of net relevant earnings.

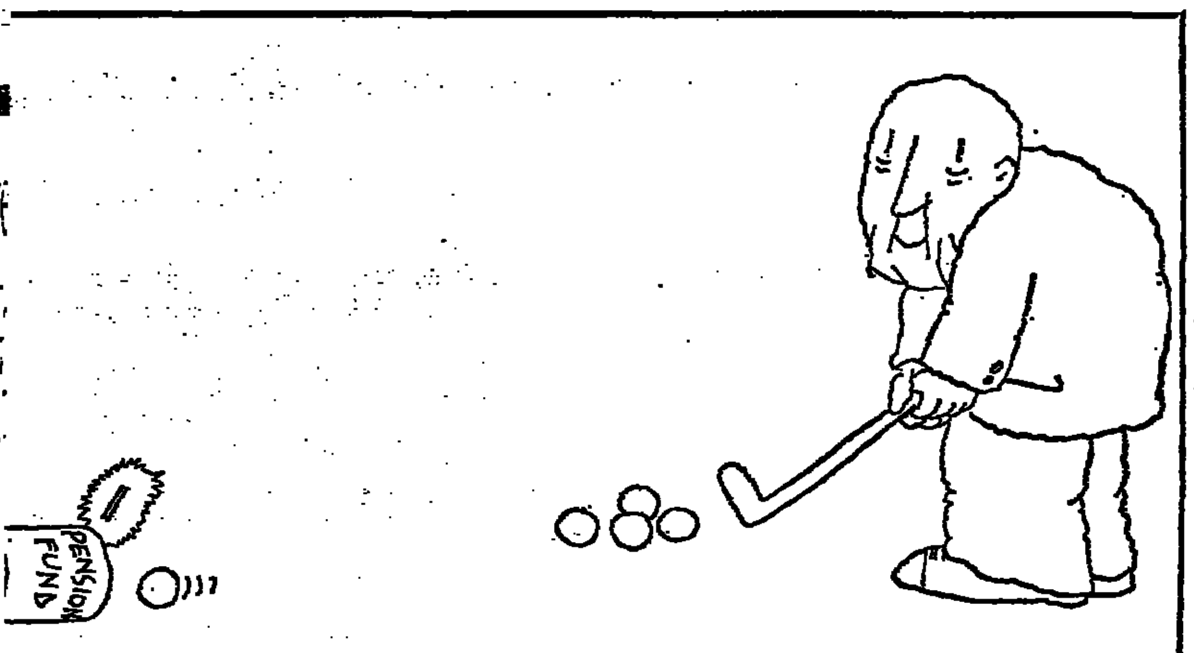
Here again, however, it is planned that it shall be possible for any benefits paid to pass to dependants, free from capital transfer tax.

At one stage, it was unwise for anyone wanting as high a pension as possible to take this type of life policy, since it would have reduced the contribution which could be paid towards a pension. Now, however, with the higher contribution limits, this type of life policy may well prove attractive to those with relatively high earnings, since the premium will represent a much lower proportion of overall pension contribution *than in the past.*

Originally, only term assurance was provided by life offices for this type of policy. Later, family income benefits were introduced. This type of policy still may not run beyond the age of 75. This, therefore, is not an infallible way of building up a fund for dependants *which will be free from* capital transfer tax at death —available, perhaps, to pay capital transfer tax on other assets passing at death. No benefit will be secured for anyone living beyond the age of 75.

To cater for that situation, one pensions office, the Scottish Equitable Life Assurance Society, has been offering a whole life profit-sharing policy (which can be written on a trust basis) where, until the policy-holder reaches 75, the sum assured is no more than the bare *minimum for the policy* to qualify in the eyes of the inland revenue. The sum assured is simply 75 per cent of premiums payable up to the age of 75.

When, however, a policy-holder reaches 75, automatically there is a significant increase in the sum assured, and the policy starts *to participate in* profits—backdated to inception. In this way, therefore, low cover is provided until 75. When the other cover ceases, at that age, there is a sharp increase in the protection provided by this type of complementary policy.



Preparing for a good life when working days are done

1,500 people will tomorrow another The number entering nent is accelerating than diminishing as overnment pursues its of encouraging early nent to alleviate un- yment among younger

ortunately few people ng retirement are ed to deal with a life- which gives them r 2,000 hours of leis- ich year and freedom ice in how they plan lays.

fortunate few—some s in the Pre Retire- Association make it as 7 per cent—at least an idea of what to They are aware of *of the requirements for* on a reduced income, with their loss of ng identity, and adapt- a philosophy in which ork ethic is no longer ime motivating force.

se companies with a history of good em- relations and staff n schemes are usually who pay greatest atten- o the need for pre- nent education.

e is more to retire- than a pension, and old question—"Which e important in retire- good health or a good n?"—is no longer sly asked. The cynical to *that question is* depends on which one ave not got. But the answer is, simply, r. Mental attitude is ore important, and it the formation of the right mental attitude that pre-retirement education makes its most important contribution to those approching the end of their formal working lives.

Should that education, training and advice be part of the pension fund manager's role, or is it a responsibility better placed under the care of the personnel manager?

Pensions fund managers are often accused of paying too much attention to their balance sheets, investments and levels of benefits. Their critics imagine them playing some giant game of Monopoly: buying property, investing in Krugerrands and works of art, and indulging in even more unusual forms of investment while ignoring the main need for a pension fund—to enable pensioners to enjoy life free from financial worry. That accusation is not true; the operation of a pension fund is more than money management.

Most pension funds of any size have several senior managers specializing in various aspects of them: investment, payroll and welfare. Most personnel managers take on the job because they are deeply interested in people; and most accept that a company's responsibility for its workers does not end at retirement.

Along the fringes of pen*sion and personnel manage*ment are two other categories: employee benefits consultants (usually for management), and welfare officers (usually for shop-floor staff).

Who is best equipped to deal with the preparation of staff? Who can ensure that people approaching this stage of life see it as a new beginning, or *troisième age*, as the French call it. I put the question to Professor Alastair Heron, chairman of the Association for Pre Retirement who summarized the six points which have become the guidelines for those concerned with retirement education: *attitude*, health, housing, money, employment, leisure.

He replied: "Preparation for retirement programmes will be designed, launched and maintained successfully only within an employing organization of any type if the full backing of top management has first been secured. The responsibility for such programmes can then be located in whichever section of the organization's structure is most appropriate and best equipped for the purpose.

"When considering these criteria, it is all too often overlooked that preparation for retirement is a specialist form of continuing education and not merely the provision of factual information on financial or health questions, important as these are. Most people in middle life or later talk gaily about all that extra time retirement will give them but *very few are ready for the* loss of identity which can and frequently does accompany the cessation of full-time employment."

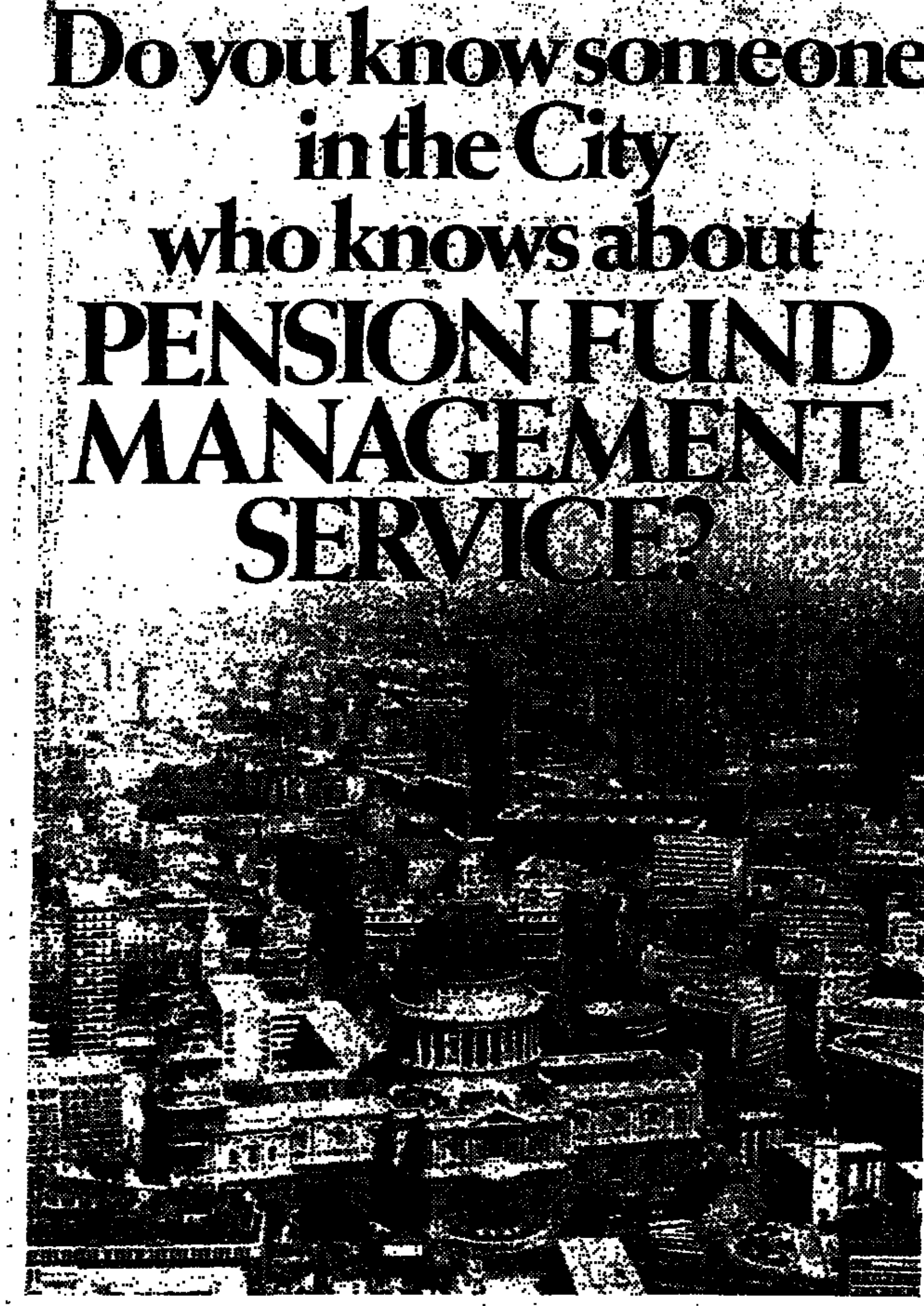
Professor Heron's wish is gaining ground. The policy decisions regarding pensions and pre-retirement education are being taken at board level, and pension and personnel departments are sharing the responsibility. An inevitable overlap concerns post-retirement care, and here many companies set up a voluntary visiting service which adds a personal touch to company care. Unilever, Allied Breweries, Ford, and Marks & Spencer are just a few following this policy.

For many years trade unions paid little or no attention to pensioners. But first Lord Feather and now Mr Len Murray have alerted their members to the need to be involved in the battle for better pensions and retirement training.

Since his retirement from full-time union affairs Mr Jack Jones has devoted much time to the cause of pensioners, while Mr Tom Jackson is as much concerned about Post Office pensioners as he is about the men in employment.

This trade union interest in the problem, as much as the publicity generated by the National Association of Pension Funds and the work of the Occupational Pensions Board, has alerted directors to the need for providing properly organized retirement education.

The author is the publisher of the retirement planning magazine Choice, and chairman of the Greater London Association for Pre Retirement.



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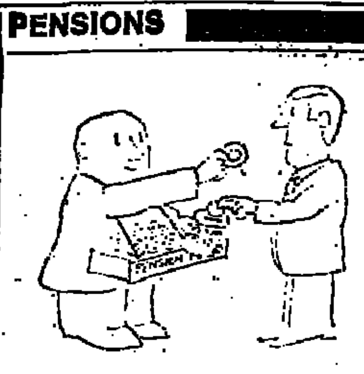


J. Dundas Hamilton examines funded and unfunded schemes, and **Maurice Oldfield** looks at what happens when a man changes his job

Public and private options

Riders of hobby horses tend to accompany their prancing with loud cries, and none has raised his voice more vigorously lately than the critics of funded pension schemes.

Most occupational pension funds in the United Kingdom's private sector are subscribed to on a capitalization system: the capital value of future benefits is calculated by the actuaries to the scheme and set aside out of current earnings. This money is invested, and such schemes are said to be funded.

Unfunded schemes operate on a pay-as-you-go system, in which no account is taken of future liabilities and the only payments out of current earnings are the benefits to present pensioners. The Civil Service, for example, is covered by the pay-as-you-go system, and its scheme is also committed to post-retirement indexation guaranteed by the Government.

Few critics of the funded schemes believe that the capitalization system is inappropriate to the private sector, because of the essential factor of security; pension liabilities must be divorced from the overall liabilities of the employer, so that the pension rights of the employee are protected even if the business fails.

This argument carries less weight with funds in the public sector, in particular those for employees of local authorities and nationalized industries.

Here, security is not in question: Civil Service pensions are supported by taxation; local authorities have the power to tax their constituents through the rates, and nationalized industries have monopoly powers and can pay pensions through increased prices.

The pension funds of both groups are investing massive amounts in both property and securities. If funding were discontinued, contributions of £1,750m a year would be available to the nationalized industries and £750m to the local authorities. This money could be used locally to reduce prices or rates, or nationally to reduce the public sector borrowing requirement.

If the existing investment portfolios were handed over to the state, assets of about £5,000m from local authorities and £11,000m from nationalized industries would be available for disposal, thus again making a major contribution to reducing public sector borrowing.

The reasoned arguments for continuing funding in the public sector have been developed by several institutions and associations in evidence to the Wilson Committee. The most telling are summarized below.

Costs of future pensions should be met when the liability is incurred, otherwise costs are distorted. This is particularly important where nationalized industries are in competition with private concerns.

If a national economic pensions policy is to achieve its objectives, it should make a positive contribution to economic growth. This requires restraint in consumption and a willingness to use resources for productive investment. People are more likely to accept that restraint if they have the feeling that their contributions are being set aside for their old age.

If real rates of return are expected (and negative rates are a phenomenon of only the past few years), it is cheaper to put aside money now and invest to meet future liabilities than it is to pay them later.

The fundamental flaw is that the pensions of today's employees are paid for by the contributions of tomorrow's workforce. It is the philosophy of hire purchase against the philosophy of thrift, and its viability depends upon the acceptance by future generations of the burdens of the past.

The economic effect of unfunding is more complex and more far-reaching than simply cutting £2,500m off public spending. A switch to pay-as-you-go would not, of itself, make any additional resources available to the economy.

Whatever courses of action were taken by public sector organizations to make use of the contributions released by a switch to pay-as-you-go, the result would be either to depress industrial investment or to cause a smaller reduction in the public sector borrowing requirement than the flow of savings available to finance it.

The Consultative Committee of Accountancy Bodies, which is composed of chartered accountants, certified accountants, cost and management accountants, and the Institute of Public Finance and Accountancy emphasized the importance of funding in its evidence to the Wilson committee: "In principle, we believe that the ultimate objective should be to require external funding of all occupational pension schemes", it said.

Far from endorsing further unfunding, this eminent group is advising a move in the opposite direction.

What trends are likely to affect a decision on whether to switch to pay-as-you-go? Advances in medical science are likely to increase the longevity of pensioners. Retirement is likely to occur at an earlier age than 65, both for social and political reasons. Technological developments, particularly the effect of microprocessors, will alter the pattern of employment, even if it does cause the workforce to be much smaller.

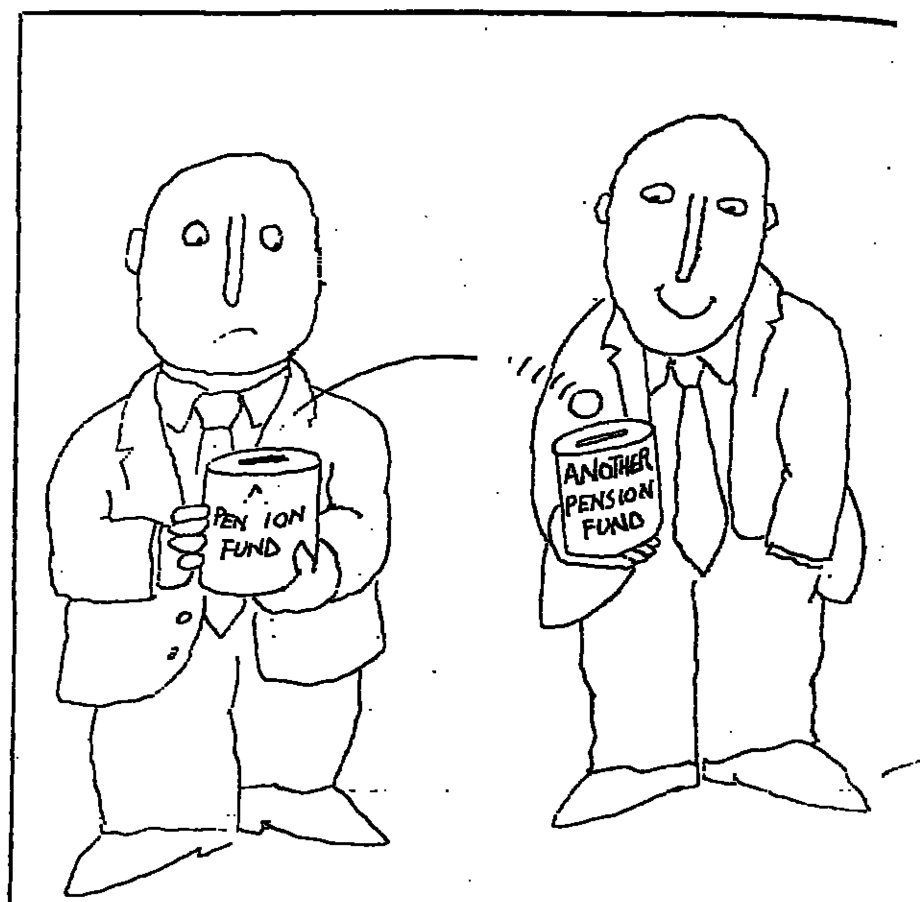
All these factors emphasize the caution which must be exercised in making any change from the funding of pension schemes. The state has little or no resources of its own, so that the money for unfunded benefits comes from the pockets or the savings of members of the public, and there is a limit to the amount of taxation which the public will bear.

Some of the critics of funding are members of the Government, and the solution may ultimately lie in their own hands. Government's job is to provide an environment in which people are encouraged to be more productive and in which the control of economic policy is based on the well-tried rules of good housekeeping. If it carries out this task effectively (and it cannot succeed without the help and determination of the public), then inflation will fall, interest rates will be reduced, the pressure of public-sector borrowing will decline, and real rates of return on investment will reemerge.

When that happens, the whole question of funding or unfunding will be of only academic significance.

The author is senior partner, Fielding Newson-Smith and Co.

Keep a watch on your transfer fees



Some time ago, sitting in the train returning to Bristol, I noticed a headline in a London evening newspaper which at first glance seemed to indicate a curious attitude on the part of royalty towards a trade union member. It said: "Palace to swoop for striker." But the headline was on the back page and referred to the activities of a South London football club which had decided to procure the services of a player—to effect his transfer.

This type of arrangement is entirely straightforward and is of immense financial benefit to the man who is changing his employer. But in the case of nearly all other job changers there may be an immediate improvement in income, there may be an improvement in job prospects, but the pension expectations of those employees will almost certainly fall in percentage terms when related to pay at retirement date.

It is reasonable to ask why this should be so. Why should changing employers make any difference to pension expectations?

To illustrate the point, let us look at some figures. Mr Jones and Mr Brown begin employment as management trainees with the XYZ Corporation on the same day; it happens to be the twenty-fifth birthday of them both, April 1, 1945.

They are paid £500 a year. They make identical progress, and at 35 they have become managers earning £1,500 a year.

The XYZ pension scheme provides after 40 years' service a pension at age 65 equal to two-thirds salary. By April, 1965, both have reached senior appointments, with salaries of £4,500 a year, but the scope for further progress if both of them stay with XYZ does not look good. So Mr Brown moves to another senior post at the PQR Company on his forty-fifth birthday, with a £2,000 a year increase. The post at the new company offers identical pension benefits.

By coincidence on that day Mr Jones is promoted at XYZ with a similar lift in salary. At age 65 let us assume both men will be earning £12,000. Mr Jones's annual pension will be £8,000, but Mr Brown will have a pension made up of £1,500 from XYZ (one half of the two-thirds salary formula because he has completed 20 and not 40 years of service) and £4,000 from PQR (on the same basis) — a total of £5,500 a year.

So, all other factors being eliminated, except for changing jobs on one occasion at age 45, one man has a pension equal to two thirds of his final pay, and the other a pension of less than half his final pay. Where has £2,500 of Mr Brown's annual pension gone?

Would it have made any difference if the trustees of the XYZ fund had transferred Mr Brown's accrued assets to the trustees of the PQR fund? The answer is a most positive no, because the XYZ trustees could only pass over the present value of Mr Brown's deferred pension of £1,500 a year, payable from 65.

The cash value would only enable the trustees of the PQR fund to provide £1,500 a year, the same pension as would have emerged from the XYZ fund 20 years later. Transfers may simplify administration, may make for convenience in that Mr Brown would receive only one occupation pension and not two, but the act of transfer does not increase the value.

The reason for this is that most pension schemes are costed on the basis that all members will remain in employment to normal retirement date. The actuary calculates an overall contribution rate (usually, for convenience, expressed as a percentage of pay). More often than not, members will be asked to pay a fixed per centage of their pay (usually 5 per cent). The company pays the balance.

The fact that some members leave before retirement would make no difference to the contribution rate or to the member's expectations if there was not inflation: Inflation has a double effect. Because the deferred pension of a person leaving is based on pay at the point of leaving, that deferred pension will diminish as a percentage of pay at 65 in proportion to the rate of increase in pay after leaving.

Inflation will also cause the actuary to revise upwards his estimate of the company contribution required for members continuing in employment. The pressure, therefore, will be on being able to maintain benefit levels for those who stay. Finding yet more money at such a time for people leaving would be difficult.

The next question which is often asked is: how is it that contributions made by and for the person leaving do not provide greater eventual benefits? To go back to the example, during the 20 years during which Mr Jones and Mr Brown both worked for XYZ, identical contributions went into the XYZ fund.

But in relation to that period Mr Brown eventually earned £1,500 a year pension, and Mr Jones £4,000. The difference arises because the contributions are average contributions. Mr Jones and Mr Brown may, indeed, have both paid 5 per cent of their earnings, but if the company contribution was on average 10 per cent, then it does not mean that a separate account for each member is credited with that 10 per cent.

At the age of 25 the member's own contributions will provide more than the scale of benefits laid down in the rules of the fund. Where members leave in their twenties it is often the case that their own contributions will be worth more than the value, at that time, of the deferred pension.

In other words, the transfer value will represent the member's contributions only. This is because as the member gets older, the costs increase in geometrical proportions.

To buy the second half of Mr Jones's pension (equal in value to the first half, £4,000 a year), a much higher annual input will be required. The reason is simple; the first year's contribution will earn cumulative interest for 40 years, tax-free. The £25 contributed by the member, being 5 per cent of his salary in his first year, would by his last year have become £543 at a modest 8 per cent annual rate of interest.

His contribution in his last year, based on a salary 24 times as much as in the first year, will be worth only £600, roughly the same as the first year's contribution.

If all people leaving were to be credited with the average company contribution in calculating transfer values, those leaving before the average age (say early 40s) would have transfers which would be much more than sufficient to buy pensions relative even to their projected final salary. Equally, the pension fund would have insufficient resources to meet the entitlements building up for those over average age (whether or not they later leave).

So it really comes down to two key issues. The effects of inflation, which are reduced for the member who remains in service by the fact that his pension is based on final pay, are adverse for the person leaving early because his final pay in connexion with his deferred or transferred pension is fixed at the point of changing jobs. And the order of priorities, which increasingly is decided in consultation with the members, tends to apply resources towards increasing the benefits of those in service, rather than improving the transfer values of those who leave.

Attitudes are changing as a result of the growing number of employees with pension expectations, the increase in these expectations, the restrictions placed on the trustees in refunding contributions, and the guaranteed minimum pensions arising under the 1978 state-earnings related scheme. This focuses attention on maintaining the purchasing power of deferred pensions.

There is no pension problem which cannot be resolved by increasing the amount of money available. It is estimated that granting increases at the rate of 8½ per cent a year, between the date of leaving and retirement date, to deferred benefits or transfer values may increase the pensions bill by a tenth. But it would be agreed almost universally that this should only be done if pensions already being paid were similarly protected, and this could double the total pensions costs.

What is more likely is a compromise whereby pensions deferred and pensions in course of payment are both subject to annual increases of say 2½ per cent. This could mean that a total member/company contribution rate of 15 per cent would become about 20 [per] cent.

If this had happened [in] Mr Brown's case his [XYZ] pension would have b[een] nearly £2,500 (instead [of] £1,500), bringing his t[otal] benefits to nearly 55 [per] cent of his final pay. T[his] is probably as far as cur[rent] attitudes would approve.

One thing is cert[ain]. Administrative trans[fers] must be encouraged, an[d as] time passes and the posit[ion] of present pensioners [and] present members impr[oves] transfer values will bec[ome] more important.

The author is vice-chair[man] National Association of [Pen]sion Funds and group [pen]sions executive Al[lied] Breweries.

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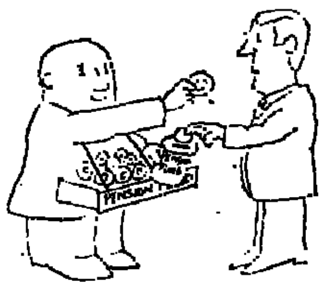
Tom Heyes explains how the funds formulate investment policies while K. Cole examines changes in the provision for women



Long-term problems in getting the asset mix right

e spotlight of public in- est is once again focused pension funds, and in par- ular on their investment erations. The figures in- .ved are huge, both in ms of capital values of sting assets and in the nual accretion of new ney. How do large funds about formulating their estment policies to handle s money? What are the tors that have to be con- ered?

When appraising any licy-making activity, the st question to ask is: What is the objective of policy-makers?" This certainly true of pension id investment policy. ere has been considerable bate on this subject in itain in recent years and ial factors in policy- king are important. How- er, for the purpose of this icle it is assumed that the jective is to provide sent and future pen- ners with the best possi- pension.

There are fundamental features common to all pension funds which must be taken into account when formulating policy:

1. A young person joining a pension fund today may reasonably expect 40 to 45 years in employment and a further 15 to 20 years as a pensioner. Thus, even if he or she is the last person ever recruited by the parent company of the pension fund, some part of its investment policy will relate to a period 60 years or so away. In a continuing situation there will always be the need to consider the pension of the latest recruit, and in a normal, growing fund the time horizon for policy-making will be 40 to 60 years.

2. The long-term nature of pension funds can be an advantage, for example when considering certain types of large-scale property development which may take several years before they begin to produce income.

However, there are real problems in the long-term which arise from the disastrous effect inflation can have on the best laid plans for paying pensions. In this context, the levels of inflation in the past few years have been horrific, but even looking at longer periods, including times of alleged stability, the problem is still serious. A pension fund's commitments can never be exactly quantified if it is to meet the aspirations of pensioners to have a pension which keeps pace with inflation throughout their lives.

3. The currency in which the liabilities will be paid must also be taken into account. A British fund will generally be obliged to pay its pensions in sterling and this must be a constraint when the question of investment in overseas countries is considered.

Having considered the objectives and general nature of the problem, what are the more detailed factors that must be considered?

The first of these is the asset mix or distribution of money over the various investment sectors available. The table shows the holdings of pension funds in market values and percentage terms at February, 1979.

	£m	%
ed interest	7,230	26
uities (including covertibles)	13,757	48
operty (excluding property unit trusts)	4,300	15
operty unit trusts	774	3
n-sterling securities	1,377	5
ners	914	3
	28,352	100

urce: NAPF annual survey of Occupational Pension Funds, '9

Cash has been ignored for the purpose of this examination because it is really only a short-term alternative to money awaiting investment in one of the other sectors.

Why are assets distributed in the way they are? What are the attributes of the various sectors? If we return to the factors considered under the general nature of pension funds, it can be seen that the requirement is for long-term growth of assets consistent with meeting the need to be able to pay pensions when they fall due.

To understand why money is distributed in the way that it is, two things must be understood. The first is the relative risk factor that can be attributed to each sector, and the second is the concept of "total return".

Let us consider risk factors first. They fall under three heads:

Fixed-interest securities

These can be divided into two main areas: First, the obligations of the United Kingdom Government—gilts as they are called—and second, the obligations of British corporations—debentures and loan stocks. Apart from undated securities, United Kingdom government *debt is risk free in the sense* that it is certain that at some date (and the date of repayment varies from stock to stock) the investor will get back the same amount of money as he originally invested. This will not take any account of inflation. The stocks have the added advantage of being readily salable. The same can be said, but to a lesser extent, about debenture stocks, provided that the company which has issued the stock continues in existence. The risk of this not happening will vary from company to company and over time as industrial conditions change. In present conditions, there is only a small market for debenture and loan stocks.

Equities

The holders of the ordinary stocks and shares of United ingdom companies are the recipients of the residual income after all other expenses have been met. Similarly, they are the owners of the residual capital after all other debts have been repaid. Looked at in isolation, an investment in a single ordinary stock can be risky, but pension funds spread the risk by holding a selection of stocks. Equities in the leading 200 to 300 companies are fairly easy to buy and sell in all but the most abnormal market conditions.

Property

In terms of security of income, property rents are low *on the risk scale. Companies* will pay their rent before they pay their dividend and sometimes even before they pay their debenture interest. Property has the disadvantage of coming in large amounts so that only the large funds can achieve a reasonable level of diversification. This can, however, be overcome largely by the small funds taking an interest in property unit trusts. Properties are not easy to buy or sell quickly but increasingly it can be argued that good quality ones are no less marketable than a large holding in an ordinary stock.

Now let us turn to the concept of total return. The initial return on government securities (including redemption yield) is at present about 15 per cent; the initial yield on the FT Actuaries All Share Index is 6.7 per cent, and on first-class properties between 5 per cent and 8 per cent. With such an apparently clear margin in favour of government securities, why does anybody buy equities or property? There must be another factor which is not immediately apparent.

There is—the yield on the government security is the initial yield and the yield for the rest of the life of the stock. The yield on equities and property can grow as dividends and rents increase. It is fairly easy to demonstrate mathematically that over longish periods the yield on a property or an *equity is the sum of its* initial return as well as the annual percentage growth rate in that return. It thus becomes possible for long-term investors to make comparison between the various sectors.

Returning then to the asset mix problems and the table showing how pension funds have actually allocated their assets over the various sectors, it is possible to appreciate how policies have been laid down to meet the overall objectives of the pen-

continued on page IX

A better deal for mothers and divorcees

new era for women? That what Mrs Barbara Castle d the new pension law uld introduce when it ne into force in April 78; and certainly it has ne features which will ke a big difference to the nsions of many women.

First, the option for rried women and widows pay a reduced rate of ial security contributions being phased out. Women employment who have osen to do so may con- ue to pay at the reduced e, but women newly- rried or widowed since- ril 6, 1977, will have to the full contributions. will women returning to ployment after a break of re than two complete tax rs after April 1978. Full- ntributions will entitle a man to full state benefits her own right instead of having to rely on her sband's insurance.

Second, a woman who stays home to look after her mily may be credited with contributions towards the basic flat-rate state pension for up to 20 years. This "home responsibilities" credit can also apply to men, and it does not have to be children who are being looked after; it may, for instance, be an invalid relative. Furthermore, as few as 20 years' contributions to the new scheme will obtain the full "additional component" of state pension.

This means that increasingly a woman who stops working to have a family and then returns, will eventually enjoy entitlement to full state pension (flat rate and related to her wages) in her own right.

A woman *now* paying the reduced contributions can elect to change from any April, but once she does so *there is no going back.* The extra cost to her and the extra benefit gained would *depend on whether she was* already a member of a contracted-out scheme and on her individual circumstances.

This greater provision and protection will extend to a divorced woman. She will be able to claim the credit of her husband's contributions up to the time of the divorce, for her basic pension. If she continues in employment afterwards she will become immediately liable to pay full contributions and so (with this credit) will be able to establish a full entitlement to benefits in her own right.

She cannot, however, accumulate credits from a succession of husbands: if she has been married more *than once the credit applies* only to her latest husband's contributions. If, on the other hand, she has to stay at home to look after the children she will also be able to obtain "home responsibilities" credit.

A widow's situation is improved by a provision that the new wage-related benefit earned by a man will continue in full to his wife after his death, provided she satisfies the age requirements; and even if she is under 40 and has no children (and therefore will not be entitled to a state widow's pension) she will, like a divorced woman, have the benefit of her husband's previous contributions towards her own retirement pension.

If she is receiving a widow's pension she can, while she is working, acquire additional retirement benefits but not so as to make her total benefit greater than the maximum a single person would receive who had always been earning above the state scheme maximum.

In accordance with the principle of equal treatment, if a woman dies before her husband, her pension may continue to him, though not so as to increase his total pension above the maximum. However, conditions are more restrictive than for widows' benefits, and both husband and wife must be over state pension age at the time of her death.

All these changes are in the state scheme, but the new law will also extend the provision of benefits for women in occupational pension schemes.

In the past there has often either been no scheme for women or else membership has been optional for them. In future, if there is a scheme for men then there must be one for women—it does not have to be the same one but it must have the same eligibility rules. And if membership is compulsory for men it must also be compulsory for women.

However, women who were not covered in the past do not have to be brought into schemes now. There are some loopholes in this law: it appears to be still possible to treat married women differently. Nevertheless, within a few years the new law could considerably increase the number of women covered by occupational schemes.

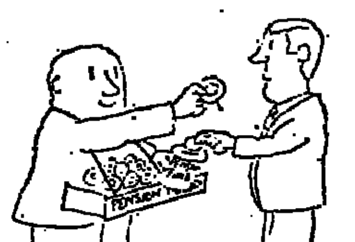
The scope for change in this area can be gauged from *figures quoted in the Government* Actuary's latest (1975) survey. These show that in the private sector, whereas 52 per cent of male employees were members of schemes, only 17 per cent of women were. In the public sector the gap between men and women, although smaller, was still considerable.

Contracting-out is also likely to have a considerable impact on provision for women. In particular, many schemes will have introduced, or improved, widows' pensions so as to meet the statutory requirements for contracting-out.

Some occupational schemes have adopted more fully the modern attitude and, taking a leaf out of the new state scheme book, have provided for widowers' pensions on the death of a woman member. A few schemes have introduced more flexible dependants' pension arrangements so that, for example, where a man has been divorced and remarried his widow's pension may be divided between the two wives, perhaps in proportion to his period of membership before and after divorce.

The author is group pensions director, Reckitt & Colman.

PENSIONS



Margaret Stone describes special factors affecting schemes for employees of small companies, and **Dennis Blair** the effects of mergers on pensioners' rights and contributions

Small schemes hit rich vein

A rich new vein has been struck by the pensions industry. Consultants, established life offices and the newer unit-linked life assurance companies have spent the past 12 months staking their claims in this latest goldfield—the small, self-administered pension scheme.

The Finance Act of 1973 permitted controlling directors to participate in their own occupational schemes, as opposed to relying on self-employed arrangements based on their earnings and a strictly defined upper limit. Since then, the potential for marketing such schemes has been clearly indicated.

In 1974, the Superannuation Funds Office (allied to the inland revenue) altered the rules for self-administered schemes, reducing the number of necessary participants from at least 20 to 12, and introducing extra controls if fewer than 12 were involved.

This was good news, but it was not until February, 1979, when the Superannuation Funds Office issued its Memorandum 58, that small, self-administered pension schemes really flourished.

The memorandum, now well enshrined in pensions history, deals specifically with the small company pension scheme defined as having fewer than 12 members. The key provision concerns the fund's ability to lend back to the company up to 50 per cent of its assets. The other half has to be invested conventionally.

Apart from having their own say in conventional investments, directors cannot only look after their own pension arrangements in a tax-efficient manner, but also do their company a good turn.

There is a number of ways in which member directors of small, self-administered schemes can plough money back into their companies. Perhaps the most inviting choice is through secured or unsecured loans —useful for short-term capital injections when there are cash flow shortages. There is nothing, of course, to stop long-term lending.

Another way to help the company through a small self-administered scheme is to get involved with sale and lease-back arrangements with company premises. Property is acquired and leased back to the company—although, of course, the lease must fall in before the pension payments fall due.

A further option available is to buy shares in the company, whether quoted or not. Direct investment in fixed interest and loan stock is also permitted. This kind of self-investment is frowned upon by the occupational pension fund because of the possible risk it entails. But for small companies, usually built up by the directors, the advantages presumably outweigh the risks.

The fund can borrow to acquire assets for the company or alternatively buy and lease plant or machinery. As capital allowances are available on such items, the more sensible course appears to be to take a straight loan from the pension fund and use it to buy the plant and machinery, and claim tax relief for the expenditure.

It might seem obvious that loans from small self-administered pension schemes should be used only to expand or assist the business, but there were rumours about 12 months ago of loans being used for racehorses, yachts, and other luxuries, although evidence of such loans has been hard to come by.

It was to avoid such blatant misuse of funds, among other things, that the Superannuation Funds Office has insisted on the presence of a pensioneer trustee, acceptable to the SFO, in the pension scheme. The SFO fears that without such controls the temptation to wind up the fund prematurely for the benefit of its members would be too great.

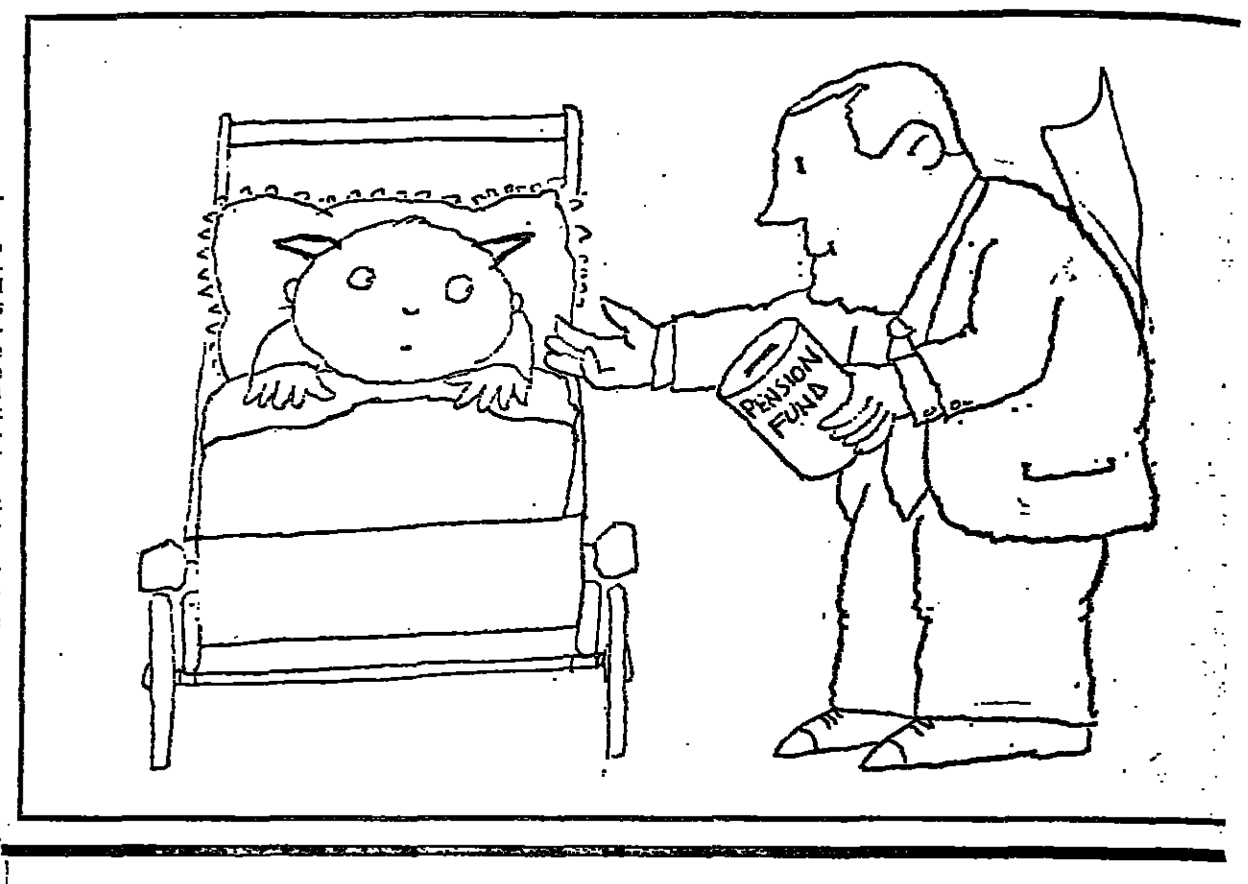
The essence of these small self-administered schemes is their tax efficiency. First of all, the entire contribution in respect of the director is offset against 52 per cent corporation tax. In addition he can put up to 15 per cent of his earnings each year into the fund—which, like any other pension fund, is immune from all taxes.

In the wake of Memorandum 58, there have been a series of important developments, not least of which was the formation on April 6, 1979, of the Association of Pensioneer Trustees. Its membership is more than 170 strong and includes representatives from most of the professions and financial institutions: consulting actuaries, pension consultants, insurance brokers, lawyers, accountants, and insurance and clearing bank officials.

The pension consultants and others who are marketing small self-administered schemes offer a variety of options. Some provide investment management, although most do not. Investment advice is more readily available, although some prefer to leave this up to the clients themselves. Fees are even more varied, but the average is from £2,000 to £3,000 as an establishment fee, and there may be annual charges too.

Insurance companies have a different approach. For a start, the basis of their arrangements is that the 50 per cent which is conventionally invested should be channelled through their managed funds department. The establishment fees may be lower, but there are the costs built into insurance contracts which form half the fund.

There are enough options to suit the most choosy of directors. Everyone involved in this business believes it has much farther to go.



Mergers must not ignore employees' rights

The period before, during and immediately after a takeover or merger is a time of great uncertainty. Rumour and counter-rumour abound; denials are commonplace and bid talks are conducted under a veil of secrecy. Inevitably, morale among the employees directly concerned falls as they contemplate their future with some foreboding.

As recently as 1968, the newly published standard work on pension schemes in its third edition did not contain a solitary reference to this problem. Five years on, a practitioner's guide to pensions suggested that because pension liabilities were small relative to the cost of acquiring a company, the problem of pension rights was often ignored in takeover negotiations. Today, companies disregard the pensions issue at their peril: this is true whether they are buying or selling.

It is true that no business is acquired for its pension fund. Irrespective of which side was responsible for the initial overtures we can be certain that the principals involved in the bid negotiations will not rank the subject of pensions high on the agenda. Nevertheless pension liabilities represent a significant cost and at some stage in the negotiations the parties will have to consider the issue of pension rights. Equally, both sides have a vested interest in recognizing the advantages of a contented workforce, an objective which applies equally to existing employees as to those who are directly affected by the takeover.

For this reason proper and effective communication, always essential in achieving good labour relations, takes on particular importance. A lowering of morale will inevitably result from the spread of rumour often exacerbated by press leaks or speculation. Recognizing the necessity for confidentiality during the crucial and delicate early stages of bid talks, it is all the more essential for both parties, at the first available opportunity, to make the fullest possible disclosure to employees and their representatives.

In this connexion, the closest liaison is called for to avoid misinformation, conflicting statements and exaggeration. The memoirs of pension fund managers must be liberally dosed with examples of rash promises given verbally by the new or outgoing boss over a celebratory or commiseratory drink immediately after the announcement of a successful takeover.

A simple and clear explanation of pension rights is almost a contradiction in terms. Never straightforward, the pension position stemming from a takeover is a minefield, which the employee is unable to avoid.

For instance, if the business, as distinct from the shares, changes hands, there is simultaneously a change of employer, which normally calls for all the pension scheme possibilities associated with leaving service to be offered to the employees. This gives rise to the choice of a preserved pension from the first employer's pension scheme or a transfer of pension rights to the new employer's scheme or sometimes still the chance of a refund of contributions.

"That is reasonably uncomplicated", you might say. But what if the new employer does not have a pension scheme? One choice, transfer of pension rights, disappears completely. What if the new company has a pension scheme but cannot or will not accept transfer payments? This may arise through no one's fault: for example, if the first company's scheme is contracted-out of the new state earnings-related scheme but the new employer's scheme is not; no transfer, or at best only a limited transfer, is possible and the employee is likely to finish up with two pensions from different sources.

On the other hand, if it is the equity of a company which changes hands, there is continuity of employment and pension rights must depend on the terms of the respective pension schemes. The position of the employees will be influenced according to whether their former company operated its own pension scheme or participated in a group scheme.

At one extreme, if the sale is of a company with its own scheme, the purchaser will also acquire the obligations of that scheme and must decide if it is to be continued in that form. Alternatively, if the sale is of a company which is part of a group, the usual requirement is a partial winding up of the group's pension scheme to enable a transfer of pension rights to take place, that is always assuming that the successful bidder has a pension scheme of its own, ready and willing to receive the transfer payment.

It is understandable if, by this time, readers have come to the conclusion that for the employee pension rights are approached in a similar fashion to Russian roulette, but with some prospect of receiving a 21-gun salute instead. But several influences, beyond those already described, will determine whether the eventual outcome favours the employee. In particular, before a takeover or merger is completed, the terms of the deal are thrashed out during the negotiation process and are subject to the strengths and weaknesses of both sides.

Rarely, however, are the trustees of the respective pension schemes signatories to the sale agreement, so that they can neither influence the outcome nor be bound by clauses purporting to override the terms of the schemes for which the trustees are responsible. Sometimes, then, sale agreements contain pension provisions which are quite unenforceable, but to which both sides believe they are committed. A common example is the attempt to bind the trustees to a particular basis of calculating transfer value payments when they have total discretion in such matters.

The initial negotiating position of the selling company is often designed to achieve continuity of terms and conditions of employment after the takeover, including maintenance of full pension rights for past service and comparability of pension benefits for future service. This stance is taken not simply for altruistic motives but also to avoid the financial penalities of employment protection legislation under which the selling company can be liable for redundancy payments and possibly for, the consequences of constructive dismissal.

If the buying company is to base pensions for past service on salary near retirement it is wrong to assume that the transfer payment from the vendor's pension scheme will be sufficient to cover the full cost of such past service pensions. The liabilities of most pension schemes are met from a combination of existing assets and future contributions; this applies equally to the treatment of past service and future service. This fallacy is responsible for much of the misunderstanding of the reasons for the loss of pension expectation after a change of job.

As long as the buyer's scheme can absorb the assets transferred, and can sustain the salary promise for past service within the existing contribution rate there ought to be no problem, but the willingness is not always there, and the ability to do so will depend on the relative strengths of the funding levels of the respective pensions schemes —a subject which even actuaries find difficult.

If the selling company has had a practice of paying pensions out of revenue on a "pay as you go" basis there are no assets to transfer, but the employees have a reasonable exp[ecta]tion of a pension in res[pect] of their past service. [In] this case the buyer, if [...] to accept the obligation, [may] demand a reduction in [the] price of the business.

Can companies [be] criticized for approac[hing] the pensions issue [with] caution, when it is kn[own] that careless or inadequ[ately] researched assessment o[f the] problem will invariably [pro]duce an expensive and [...] embarrassing result? [For] example, in a labour-i[nten]sive business pre-tax pr[ofits] could easily be reduce[d by] 10 per cent if the cos[t of] honouring a past se[rvice] pension commitment s[hows] an unexpected increase [of,] say, 2½ per cent of pay.

Moreover, because pension schemes can [be] ended at any time, an [em]ployer's commitment to [...] extends only to accrued [pen]sions without regard [to] future pay increases.

Does the future offer [any] prospect of removing [some] of the uncertainties [des]cribed above? The an[swer] to this question may of[fer a] measure of comfort. All [com]panies must now provi[de a] guaranteed minimum [level] of second pension for [...] employees with earn[ings] above the basic state [pen]sion. This minimum pe[nsion] may come from a contra[cted-]out company pension sch[eme] or from the state, and [is] not adversely affected [by a] change of job, whether [as a] result of a takeover or o[ther]wise.

The Government [will] shortly put into effec[t an] EEC directive which wi[ll re]quire employee repres[enta]tives to be told in adv[ance] the reasons for a prop[osed] takeover and of the [...] economic and social imp[lica]tions for the emplo[yees] affected by it. Also, [the] Government has asked [the] Occupational Pensions B[oard] "to consider what fu[rther] steps should be taken to [pro]tect the occupational pe[nsion] rights and expectation[s of] employees who change [em]ployment".

This is a wide-rangin[g re]view calling for an exa[mina]tion of the financial im[plica]tions and for recomme[nda]tions to be made. The O[PB] report is expected to be [pub]lished some time d[uring] 1981. That is a long ti[me to] have to hold one's breat[h].

The author is chair[man of the] government relations [com]mittee, National Associ[ation] of Pension Funds.

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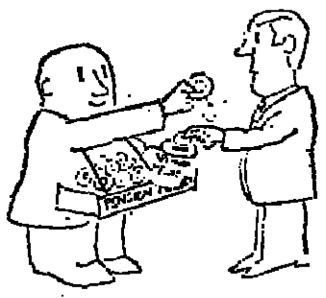


F. R. Langham compares the British state scheme with those of other EEC countries; and **Margaret Stone** examines proposals for a new plan for the Civil Service

UK has unique mixture of systems

›pe can be divided into when it comes to state ion schemes. Denmark, md, Ireland, The erlands and effectively erland, provide flat state pensions. All countries in Europe earnings-related state ions. Britain is unique aving a mixture of a flat rate pension comed with a state earnings-ed pension which is prol either by the state or he employer by means contracted-out scheme. me state social security ms are under considerfinancial strain. The n system, which is parrly generous as the ment pension is payfrom age 60 for men 55 for women, has been fficulties for some time major revisions are n Parliament.

e German system is also riencing financial prob-The difficulties have accentuated by a decitaken a few years ago r which men could ret age 63, compared with ormal retirement age of a pension based on serto that date without any tion for early payment. jor revisions were made e German system last to create a more finanstable situation at an table cost level. These ges included a reduction e level of the indexation ed to pensions in course yment, and a reduction e index of average earn-levels used for deterg pensions for em-es retiring. The effect is latter change is that oyees retiring in future eceive a lower percentof their final earnings they were expecting r the previous system.

ere is a moral to be t here. In state pay-aso systems it is regretonly too easy for polis to promise higher its knowing that the cial cost will not have met until sometime in future. Unfortunately, s-you-go systems do not the financial discipline ent in funded occupal schemes as we know in this country.

e moral is that it is tial that before im-ments are made to state schemes, full account must be taken of the long-term cost consequences. Otherwise a situation could arise where future working generations might not be prepared to shoulder the pension burdens that previous generations had promised to themselves.

Occupational schemes in Europe are now more and more looked on as a means of supplementing state benefits. In some countries the level of compulsory state provision is so high that there is almost no scope for any private occupational schemes.

In other countries the scope is wide and occupational schemes provide not only benefits on earnings above social security ceilings but also top up benefits for employees whose earnings are below the ceiling where state and other compulsory retirement provision is considered inadequate.

Three main systems of providing occupational pensions have developed in Europe and elsewhere. The first is the system of funded occupational pension schemes as in Britain. In other countries these take different forms. For example, in Denmark a significant proportion of private occupational schemes is still in the form of money purchase or savings schemes.

Occupational schemes are subject to supervision and statutory control in many countries. In some countries there are investment restrictions. For example, certain limits on investment in ordinary shares, or a minimum proportion to be held in government securities. But in none is there actual direction of investment apart from requirements for investment in government securities.

France has tackled pension provision in a different way. State scheme benefits are moderate, but it is compulsory for nearly all French employers to participate in one of a number of industry-wide occupational schemes. The standard financing system is a pay-as-you-go technique generally called *répartition*. Funds are not accumulated and benefits paid broadly match contributions received.

The system is complicated. The main attraction in the development of the French system was that it was possible to pay from the outset full pensions to former employees who had retired without any benefits before the introduction of the system.

This was particularly important in postwar France because of the dislocation of the economy and the destruction of savings during the war years. A further attraction is that inflation is not a major problem since, if salaries are increased, the contributions available for immediate payment to pensioners increase by the same percentage.

Unfortunately, demographic and other difficulties are beginning to emerge. For example, for many years the system for managers enjoyed a particularly favourable ratio of pensioners to contributors because of the expansion of the economy and the development of new technologies, but the ratio of pensioners to contributors is rising sharply. Because of this and other factors it has been necessary in the past year or two to increase sharply contribution rates.

The system also suffers from the usual disadvantage of pay-as-you-go systems as the apparently low cost of benefits in the early years has encouraged pressure for higher benefit levels and lower retirement ages. A lot of concern about the system is being expressed in France, and last year M Barre, the Prime Minister, went as far as to say that funded arrangements have a lot to commend them and suggested that a study be made.

It is almost impossible to switch from a well established pay-as-you-go system to a funded system because such a change would require a double burden of contributions for a long period. In retrospect the French would have had a less complex system and might have avoided some of their present difficulties by developing a higher level earnings-related state scheme.

In Germany occupational pension schemes are widespread and are used to supplement the earnings-related state scheme. They are generally financed by a book reserve system although there are privately funded and insured schemes. Because of the rapid inflation in West Germany in the 1920s and during the war, doubt was cast on the ability of accumulated pension funds to preserve their real value.

The main solution adopted has been the creation of unfunded pension reserves in company accounts which have been available for financing directly the expansion of the companies concerned. This solution has received encouragement from the tax authorities since allocations to reserves for pension benefits are deductible for tax.

In order to ensure the security of employees' pension rights employers have to take out credit insurance for these unfunded reserves. The premiums are determined without reference to the credit-worthiness of the employer so that they constitute a subsidy from the financially strong to the weak.

In comparing the German system with the British one it must be borne in mind that the major part of German pension provision is made from the social security system and thus the reserves retained within the business to cover the unfunded pension promises are much lower than the size of the equivalent pension funds in the United Kingdom.

Is there another way? The answer is yes, but. Yes, some countries have much higher level social security benefits than Britain does, but these seem to be increasingly coming under financial pressure and we ought to be cautious before making any further improvement to our state pension system in Britain. Yes, occupational pensions can be financed in different ways.

France might appear to have overcome the problems of inflation, but the demographic problems are becoming serious, the system is complex and the financial discipline of financing benefits in advance is absent so that there have been constant pressures for improvements in benefits that are proving difficult to finance. The German book reserve system preserves financial discipline since reserves have to be accumulated, but these reserves are not as important in relation to the size of German industry as pension funds in the United Kingdom.

The real answer to the question is that there are other ways, but that if we wished to pursue them we should not start from where we are. We cannot go back to the beginning of the path, and to cut across the fields to another path is fraught with dangers. The burden on future generations is the same whether pensions are funded, or unfunded with book reserves, or financed on pay-as-you-go lines.

From the point of view of the economy as a whole what matters is whether the system stimulates or retards productive capital investment. The absence of any financial discipline in pay-as-you-go systems can influence present generations to promise themselves higher benefits than future generations are prepared or able to sustain.

A book reserve system, while imposing the same financial discipline as a funded scheme, does mean that the money is retained by both efficient and inefficient companies. Investment returns of well-managed funded schemes are thus likely to be higher on average than under a book reserve system.

We have in Britain a system of occupational pension schemes that is the envy of many other countries. Let us hope the academics and other critics do not persuade politicians to ruin it.

The author is deputy pension officer, Unilever.

Index-linking is controversial privilege

ed away in the Chan-'s Budget speech was lecision to refer to an ry the index-linked ons enjoyed by the Service, envied by the of us and acknowledged he Government as a in its cost-cutting prome. Money apart, there ie inevitable criticism asting the contracin social security benefor the poor and the uing largesse for hall mandarins, who, if run true to form at ment usually pick up a tive appointment outas well as their indexd pension.

e Government's decito set up an inquiry inflation-proof pensions the public sector is nce both of Mrs Thats willingness to listen er Tory Party backers, who in December nently came out against existing arrangements, also of the intracty of the problem. It ways unpopular to take privileges, and the Service has made it that it would bitterly t and fight against any ion or even watering of the present system. lexation of public sector ons, which in a full (1979-80) already costs 0m, is such a monumenroblem that, like the poor, it seems to have been with us for a long time. In fact, the Pensions Increase Act dates back less than 10 years to 1971 and Mr Heath's administration. While the principle behind inflation-proofing deserves sympathy, it must be said that that Conservative government could never have foreseen the consequences its Act has brought about.

Mr Edward du Cann: "It is wrong to preserve the principle of inflation-proofing only for public servants."

In the years since its introduction, pensions in the public sector have increased each year since 1971 at a rate averaging more than 14 per cent, ranging from a minimum increase of 7.4 per cent to a maximum of 26.1 per cent in 1976. No other employees have done nearly as well. However, it should be remembered that the people who have benefited are not all top civil servants, judges and generals but teachers, firemen and postmen.

It is, none the less, a problem for the Government that the obvious choice of candidates for its inquiry into index-linked pensions are the very people who have a vested interest in them. So in the interests of harmony the Government would be imprudent if it did not bring some "under-privileged" persons on to the committee. Similarly, questions about how much the Civil Service should pay for its index-linked pensions are of secondary importance to more fundamental ones which should question the very existence of indexed schemes.

The debate recently has been centred on the way Civil Service pay is calculated to allow for the fact that its members receive index-linked pensions. In 1974 the Government Actuary decreed that public servants should be deemed to have forgone 1¾ per cent of pay as the price of their pensions guarantee. Despite the big advances made by inflation in the intervening years it was not until 1979 that the amount deemed to be forgone went up to 2.6 per cent, and it has now widened to 3.8 per cent.

The figures produced by the Government Actuary's Department have met with much derision, particularly in the past 12 months, and there have been unsuccessful attempts to have an independent actuarial review commissioned.

Mr Edward Johnston, the Government Actuary, said earlier this year that the fundamental question he has to answer is: how much is it worth to a civil servant to be subject to the rules of the Civil Service pension scheme rather than the scheme belonging to a comparable job? The answer to that question (then 2.6 per cent of pay), Mr Johnston emphasized, is not the cost of index-linking: it is a difference item between schemes, many of which are markedly dissimilar.

There are very few private schemes which do pay indexed pensions (1 per cent in the year to January, 1979, according to a recent National Association of Pension Funds survey), because the plain fact is that private industry cannot afford to guarantee index-linked pensions. That, surely, was admitted by the Government in the Social Security Act where responsibility for keeping the earnings-related guaranteed minimum pension reverted, on the individual's retirement, to the state—irrespective of whether or not he belonged to a contracted-out pension scheme.

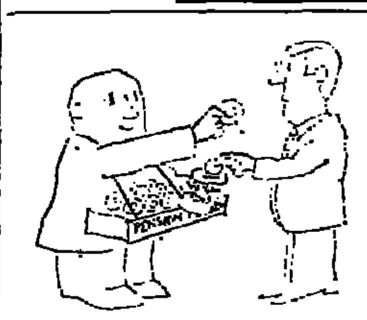
In these circumstances, the question of how much civil servants should pay for their index-linked pensions is not the right one to ask. The right one is, should one sector of society be so inherently privileged in this way?

In another sphere, the Government is aiming to reduce its commitments to index-linking. Mr Edward du Cann, the chairman of the influential Select Committee on the Treasury and Civil Service, is quoted as saying: "It is quite wrong to preserve the principle of index-linking only for public servants when the Government is busy getting rid of it for society security."

More than the politics of envy is involved. Public sector pensioners have enjoyed the twin benefits of higher pension increases than anyone else and greater freedom from financial worry because pension promises have been kept. But that is all they are: promises, which are paid for by taxpayers. The present attempt to reduce the number of civil servants may be successful, but there is a limit to the number of job cuts and, hence, pensions savings that can be made.

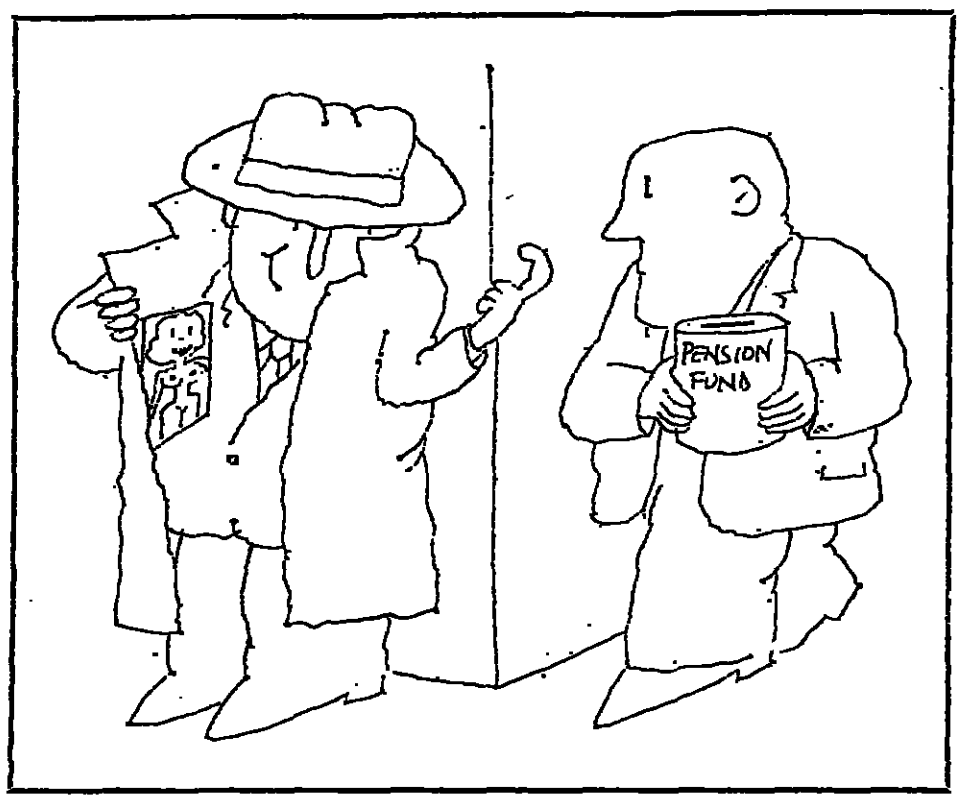
On the other hand, the inquiry will have to be realistic about what changes can be made in other directions. The plum of an index-linked pension will not be given up easily, and there are the moral questions involved if expectations are not matched. However, that is the only alternative available in the long run—unless the dream of curing inflation is realized, which would cure the problem of index-linked pensions too.

PENSIONS



John Gaselee reports on self-administered schemes and on how to retire in greater comfort

Brokers should provide more after-care service



Pensions business divides quite neatly into contracts insured with life offices, and schemes which are self-administered. In the past, the self-administered schemes were thought suitable only for large groups.

More recently, these have been promoted as being suitable for directors of private companies. This not only gives the directors, acting as trustees, the right to make the investment decisions, but also the pension fund can lend money to the company, or buy property and lease it to the company. In some cases, the tax-free pension fund can even buy shares in the company.

Insurance brokers and pension consultants handle the great bulk of group pensions business insured with life offices. Some are now taking the view that, quite apart from the so-called advantages of the self-administered schemes for directors, there can be savings in administrative costs—bearing in mind the expense loading charged by a life office.

Apart from group pensions business, a high proportion of personal pensions business, and life assurance contracts intended to supplement pension planning, is arranged by brokers—although there are plenty of other ways of arranging such contracts.

Some offices operate a marketing policy which results in little or no business coming to them through brokers. In some parts of the country, particularly in Scotland, accountants, solicitors and other intermediaries play an important part in helping their clients to make the right arrangements for pensions, together with various aspects of tax planning.

A broker should be an expert on pensions and have agencies with a wide range of life offices. Good advice, therefore, should be forthcoming—although choosing the right policy is largely a question of judgment, and there is no easy way of picking the best contract at the outset. Only time will show whether the choice proves sound.

While accountants cannot be expected to know as much about pensions and associated matters as an insurance broker (many accountants pass their inquiries through a firm of brokers, rather than direct to a life office), a client is likely to have regular contact with the accountant. And he, perhaps, will keep an eye on the policies in force, and suggest when alterations or additions should be made.

Increasingly, some stockbrokers are building up their life assurance business, including the provision of pensions for individuals.

It is an unfortunate fact that the bulk of the commission payable to a broker, or other agent, in return for arranging an individual pension contract, or a life policy, is received at the outset.

Inevitably there is a danger that, although a broker may take care to choose what is an appropriate contract at the outset, there may be little or no contact thereafter. Accountants and stockbrokers, acting for clients in various other ways, may achieve a better relationship.

Arguably, brokers should provide rather more after-care than at present. While it may cost more to keep clients satisfied the maintenance of goodwill should be worthwhile.

For anyone who is self-employed, or who has non-pensionable earnings, a broker may suggest a regular premium personal pension policy. Some form of topping up may be necessary in most years—to ensure that the maximum contribution is paid. Usually, this can be as a supplementary premium or arranged as a single premium policy independently from the regular premium contract.

For anyone with fairly substantial earnings, it may be preferable to select a different policy, and pay a single premium, each year. If necessary, more than one such policy can be arranged in a year.

When investments are depressed, it may be best to arrange a unit-linked contract, if there are a number of years to run before the pension will be needed. If prices appear rather high, and they may drop back, or not appreciate rapidly, it could be better to arrange a profit-sharing contract. If retirement is imminent, a broker may suggest a non-profit policy.

Anyone ineligible for a personal pension policy may arrange an endowment policy, to mature at the expected date of retirement—when the tax-free cash can be used to purchase an annuity. Sometimes there is the right to leave the money invested with the life office after the normal maturity date, if it is not needed immediately to buy a pension.

A broker may sell a pension contract or life policy on a unit-linked basis, linked to whichever fund appears most suitable. The fund chosen at the start may not necessarily be best for the term of the policy, although if it is a managed fund, no further action need be taken.

If future switching between funds becomes necessary, it is important to establish with the broker at the start whether he will suggest when switches should be made, or whether the client should periodically ask for advice. While brokers have been improving their knowledge of the investment scene, many small brokers do not see themselves as competent to give that type of advice.

If it is not necessary to take the whole of a pension at the same time, benefits can be taken in stages, between the ages of 60 and 75, if a number of different pension contracts have been arranged, or a single contract has a number of units. In this event, it is important to select the right type of contract from which to take pension, according to circumstances at the time.

Brokers ought to be able to give good guidance. Also when benefits are taken from a personal pension contract, a broker can say whether a better pension would be obtained by transferring the cash accumulated under the policy to another office with more competitive annuity terms.

Life cover arranged privately expires at or near retirement and life cover arranged in conjunction with an occupational pension scheme may end at that point.

Sometimes an employer's scheme incorporates a right for a member to arrange a policy on his own life when that cover ceases, irrespective of his state of health at the time. Such a guarantee is not common, and it is easy to reach retirement and find a need for continuing life cover. That is an area for an insurance broker, if one's health is not perfect.

Some years ago, a number of life offices set up the Company Pension Information Centre to give general advice and publish a number of guides.

The Society of Pension Consultants was affiliated to the Corporation of Insurance Brokers but now it is not simply brokers who ar[illegible] ing as pension consul[illegible] Consulting actuaries [illegible] moved positively [illegible] from a specialist [illegible] and many now ac[illegible] overall pension consul[illegible] The society has rewrit[illegible] constitution and broa[illegible] its eligibility for membe[illegible] and has introduced a [illegible] of conduct.

The British Insu[illegible] Brokers' Association [illegible] provide regional lis[illegible] members. Membersh[illegible] tends from large [illegible] broking companies and [illegible] provincial subsidiaries [illegible] to small operations. N[illegible] the members can be [illegible] cribed as specialists [illegible] pensions field, althoug[illegible] should be able to pr[illegible] reasonable guidance [illegible] dividuals wishing to s[illegible] ment pension arrange[illegible]

Finally, the life [illegible] which do not pay co[illegible] sion to intermediaries [illegible] not be overlooked be[illegible] these include the olde[illegible] second oldest mutual [illegible] offices. As a result of [illegible] being mutual and not [illegible] commission, such [illegible] have established reput[illegible] for providing good val[illegible] money—in common [illegible] others which do not [illegible] commission. The Life [illegible] ces' Association can b[illegible] tacted for details of [illegible] offices.

Useful London address[illegible]
Company Pensions In[illegible] tion Centre, 7 Old [illegible] Lane, W1.
Society of Pensions C[illegible] tants, Ludgate House, [illegible] gate Circus, EC4.
British Insurance B[illegible] Association, Fountain [illegible] 130 Fenchurch Street, [illegible]
Life Offices Assoc[illegible] Alderney House, [illegible] Street, EC4.

Topping up benefits best tackled early

Most of us probably feel that we could get by during retirement on a pension of two thirds of final earnings—perhaps even in a degree of comfort. Unfortunately, however, two thirds of final earnings is simply the maximum pension which can be paid. By no means all schemes are so generous, apart from the fact that an increasing number of people have a somewhat chequered pensions career.

Moving from one job to another may be a much better way of progressing than staying with the same organization and waiting for seniors to retire or leave. But it does not exactly enhance pension prospects at the end of the day. All too often, moving from one job to another results in a lower pension than staying in one job throughout—albeit at a lower salary.

Many people, therefore, will need to top-up their pensions—and this is a task which is best tackled at the earliest opportunity. Clearly, if one waits until a few years before retirement, comparatively little can be achieved.

First, quite a number of people with salaried jobs also have some income from another source—such as lecturing, consultancy work, writing articles for the press, farming, or even what amounts to running a small business. Within limits, it is possible to pay some of those non-pensionable earnings towards a personal pension policy, which will supplement the main pension from one's employment.

One advantage of taking that course is that the pension contribution ranks for full relief of tax. Furthermore, in common with other pension funds, the contributions will accumulate on a tax-exempt basis. At retirement (which need not coincide with retirement from one's main job, but must be between the ages of 60 and 75), part of the pension can be commuted for a tax-free cash sum.

The actual amount which it may be possible to contribute in that way is likely to be limited, but it will be a help. A traditional alternative was to take an endowment assurance policy, designed to mature at retirement, and to use the maturity value to buy an immediate annuity—so as to provide a supplementary pension for life. Incidentally, part of such a pension is entirely free from tax (being looked upon as a repayment of capital), and the balance is taxed as investment income. That differs from the normal occupational pensico, which counts as earned income for tax purposes.

A variety of life assurance policies are on the market where premiums are paid for a minimum of 10 years, normally, being eligible for life assurance premium relief (now equivalent to a discount of 17½ per cent, dropping to 15 per cent in April 1981), and, thereafter, provided a peppercorn premium continues to be paid, tax-free withdrawals may be made as required. There is, however, no guarantee that, if one lives to a ripe old age, the capital value of the fund will be sufficent to allow one to continue to draw on it throughout retirement.

Employers, also, can play their part in helping to top-up a pension at retirement. For instance, if an employee joins a final salary scheme, perhaps bringing with him a transfer value from his old scheme, the new employer can give added years in the new scheme. Effectively, this is the same as saying that, for pension purposes, the new employee had been working with the new company for a specific number of years. Naturally, however, there is a limit to the generosity which an employer can be expected to display towards a new employee.

Much more is likely to be heard of additional voluntary contribution schemes. Here an employer who already has an occupational pension scheme, sets up a separate supplementary scheme. Employees are free to contribute, with normally the employer simply providing the facilities, but not making any cash contributions.

An employee can make total pension contributions up to a total of 15 per cent of annual remuneration. Usually the percentage of salary payable to a contribution scheme is quite modest, leaving most employees with the right to make a worthwhile contribution each year free from tax. Here again the contribution accumulates in a tax-exempt fund.

It is usual for each employee to have his own account, building up a cash fund which is available at retirement. The cash retirement can be used to purchase from any life office the pension benefits which an individual wishes to provide, or is required to provide by the inland revenue. Sometimes, if the whole of the main occupational pension is taken in pension form, all or a large part of the benefit from an additional voluntary contribution scheme can be taken as tax-free cash at retirement.

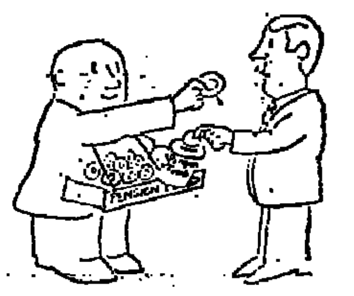
Life offices are providing a wide variety of contracts, such as profit-sharing or deposit administration. A number of building societies have been suggesting to pension scheme trustees that an additional voluntary contribution scheme should be based on building society investment.

In view of the tax aspects, this type of scheme can be particularly suitable for those with fairly high incomes, paying higher rates of tax, who wish to put aside cash for the future on a tax-advantageous basis. One possible drawback is that, in common with other types of pension arrangements, once cash has been paid to such a scheme, benefits cannot be taken until retirement.

Employees who stand to receive occupational pensions near the inland revenue maximum at retirement need to make sure that there is no over-provision of benefits, since the maximum of two thirds of final earnings applies to the main occupational scheme plus any additional voluntary contribution scheme.

هكذا من الأصل

Sylvia Morris discusses the impact of a suggested code of practice governing public demand for details of retirement benefits



Proposals for freer flow of information

the agenda at the Natal Association of Pension nds' annual conference ay is a draft code of otice dealing with the ply of information to nbers of pension schemes. he code, drafted with the p. of members of the ociation, is given the seal approval it could be in ration very shortly.

he reason for its being forward is NAPFs' desire see a flow of informai, more available and of a her standard, between sion funds and their nbers than those at sent demanded of the ustry by the Inland enue Superannuation ids Office and trust law. s goal, it believes, can achieved more quickly by ipliance with a simple e of practice than ugh the introduction further complex legislat of the type which ady abounds in the intry.

ome pension funds ady comply with the proed code and even go bed the proposed minin standard required. the association would to see that those which not, at least conform with minimum standards.

he code calls for proon of basic information which is regarded as essential to enable any member to make decisions regarding his future pension benefits and rights. It covers every day events such as joining or leaving pension schemes, retirement and the death of members, as well as rarer occurrences such as mergers or the winding-up of schemes.

The proposals include a provision that an employee, on taking up a new job, be issued with precise details in writing of the pension scheme and options open to him. Although this is a step in the right direction, such information should, ideally, be made available at the interview stage. It can be an important feature in weighing up the pros and cons of taking a job.

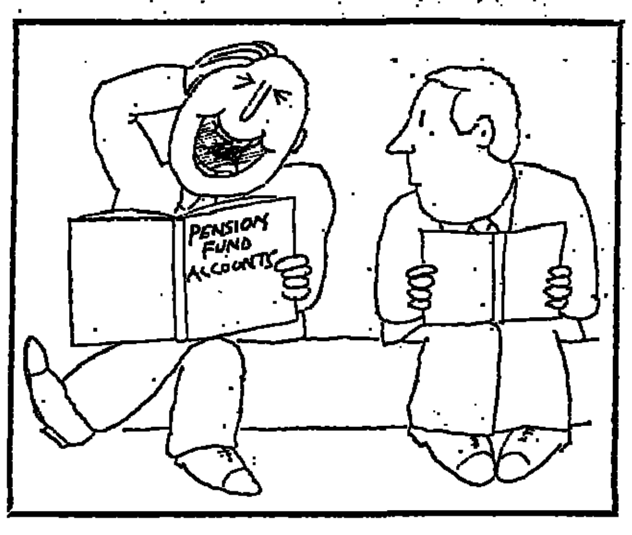
On leaving a scheme to take up new employment, a member needs to know the exact benefits he has built up as well as the available options. Details should include any guarantee of a minimum pension and any guaranteed or potential increases before and after he retires. Options that come into force once the pension becomes payable should be fully explained. The member should also be informed whether he is entitled to payment of a transfer value.

A member nearing retirement should be given a full, written explanation of all the benefits and options available to him, including the right to commute part of the pension for cash and the tax implications of any decision he makes. Details of any provision for a regular review of the pension should be provided.

The code calls for more information to be regularly provided, ideally automatically, to keep members up to date with the financial position of the fund and their own personal circumstances vis-à-vis their pensions.

More far reaching than the minimum standards laid down in the code are suggestions in the draft which call for advice to be made available to help members to make decisions on their pension benefits and rights, or at least to give guidance where such advice may be sought. But NAPF says individual advice should be given only if the employer is sure he has adequate resources for the task.

Some companies already go as far as this. A large company with a progressive department will have sufficient people to call on to give advice, but because of the complexity of the pensions industry, advice does not come cheaply and this may present a problem for smaller companies. Moreover, an advice service is a contentious area as there is a basic conflict of interest between fund and employee. The latter might feel that any advice he received from his employer would be biased in the fund's favour.



The introduction of a clause which ensures that members have essential details of their schemes must be applauded, but it will do little to help the communications problem which has continually dogged the industry. Information, however, comprehensive, is of little value if it is neither read nor understood. All too often pension fund executives assume that members are thirsty for knowledge of the scheme. However, in-built reluctance to contemplate one's own mortality or even old age, coupled with the complexity of the field, leads to widespread lack of interest in pensions.

In recent years the pensions industry has tried to bridge this gap with a lighter and simpler approach but it still has a long way to go before much of the information provided can be usefully interpreted.

Long-term problems in getting asset mix right

inued from page V

funds, taking into unt their long-term re, the problem of infla- (and the corresponding t for growth) and the ive degrees of risk innt in the various invest. sectors.

a typical large pension the asset mix policy have evolved over a ber of years in response hanging conditions. For ple, many funds had no erty interests until the 1960s, and the evolufrom a preponderance ssets in fixed interest s to a preponderance of s in equities and propwas a direct response to roblems of inflation.

ere is one other factor h has to be considered formulating investpolicy, and that is the ion of whether or not hold investments denated in currencies than sterling. Most s will be obliged to pay pensions in sterling. Why complicate matters by investing overseas? There are probably two main reasons for doing so. These might be described as the macro-argument and the micro-argument.

The macro-argument is concerned with economic growth rates, inflation rates and relative currency strengths of overseas countries. It is not difficult to demonstrate that there are other countries which have better economic growth, lower inflation and stronger currencies than the United Kingdom. These countries will not always exhibit these strengths—consider the recent fall of the dollar and the rampant inflation rates being experienced in the United States.

However, a case can be made, particularly for the large fund, to have a proportion of its assets in non-sterling denominated issues. Typically, a large fund might have about 20 per cent of its assets so invested. The principal overseas market for such investment would normally be the United States, although Japan, the Far East and Australia also have a considerable following.

The micro-argument is concerned with gaps in the United Kingdom markets, particularly the equity market. It is not possible to buy shares in a United Kingdom power generating company or a champagne producer. This can be done in overseas markets if the policy-makers feel there is a need to have them.

The broad framework of the asset mix and geographical spread is arrive at by consideration of the factors described. There are further factors to be taken into account within this framework.

As far as fixed interest stocks are concerned, company debentures, as already indicated, do not attract a great deal of interest because of their lack of marketability. Pension funds will tend to concentrate on the gilt market and the shape of their portfolio will be governed by such matters as known future cash requirements, for example development expenditure for properties may mean that the short end of the market is favoured. However, this apart, there will be an attempt to achieve a spread of maturities in dated government securities so that there is no bunching of repayments, thereby avoiding a reinvestment problem in adverse conditions.

With equities theoretically a good level of diversification or risk spreading can be achieved by a fund holding only 20 to 25 stocks. However, for the larger funds with equity portfolios in the hundreds of millions this is clearly impracticable because of the sheer size of holdings in particular companies that would be necessary. In practice investments would be spread across 100 to 300 stocks, with only the very large funds—more than £500m—operating at the top end of this scale. In making the spread across the various industrial sectors, attention would be paid to the spread of stocks in the various indices, for example the F T Actuaries. Divergences from the index spread would represent the views of the policy-makers as to the relative merits or demerits of those sectors and would vary from time to time.

The main considerations within the property subgroup will be the mix of office, shop, industrial and warehouse properties, and possibly agricultural land. Initial yields on offices and shops tend to be lower than those on warehouses and factories and sometimes these lower yields are not matched by better growth prospects.

There are fashion considerations in property investment as in other forms of investment. For example, question marks are being raised about city centre office locations in the light of advances in micro-chip technology. Agricultural land has problems of its own, not the least of which is the political one. All these factors, and many others, must be taken into account on fixing the mix of property assets.

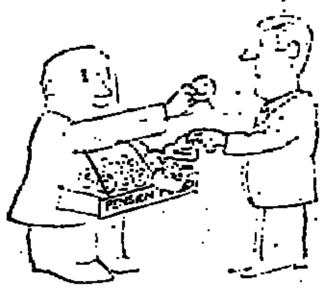
Keeping the overall framework arrived at under the long-term policy heading, broadly the same factors will apply to investments in overseas markets as to those which exist in the United Kingdom. There will be the added complication, however, of relative currency strengths and weaknesses which will affect timing of investment activity, and the question of exchange control abroad as well as at home needs to be considered.

Who makes the investment policy of pension funds? In the private sector, the bodies most likely to be involved are the pension fund's parent company (especially when it guarantees the solvency of the fund), the pension fund trustees and the investment manager. The pension fund trustees may delegate short-term policy-making to a sub-committee sometimes called the investment committee or the management committee. The investment committee may further delegate day-to-day decisions to the investment manager.

Important policy decisions on changes of the asset mix or overseas diversification will be made only at intervals of several years. Ordinarily, trustees would meet half-yearly or even quarterly to review performance and set short-term policy guidelines for the following period. The investment committee would probably meet on a monthly basis and would also supervise the execution of policy.

The investment manager is central to all these activities in that in most cases he will be writing the policy papers for the trustees. It is, however, essential for all concerned that the policies he advocates are understood and that once agreed they should be followed closely except in unusual circumstances.

The author is chairman, investment protection committee, National Association of Pension Funds.



John Whitmore reports on three important developments of the past year or so which have provided the investment world with food for thought. The pictures show three profitable areas open to fund managers: property, forestry and the arts

Overseas opportunities knock

The one thing that pension fund managers cannot claim is that the past year or so has been uneventful. To me three important developments stand out, all of which have provided the investment world with substantial food for thought.

The first has been the increased determination of the important Western countries to strengthen their anti-inflationary policies by bringing their money supplies under better control. The second has been the clear evidence that, regardless of any improvement on the international political front, oil producers will in future cut back on production, if that is necessary, to prevent the real price of energy from falling. The third has been the dismantling, last October, of British exchange controls. In terms of global implications, the last of these three is the least important. None the less it provides a convenient starting point.

Some fund managers do, of course, play down the significance of the removal of exchange controls. Quite rightly, they point out that their liabilities are in sterling and that this must circumscribe the amount of non-sterling investment that it would be prudent for them to undertake.

They may also take the view that substantial investment in foreign securities is not a particularly attractive option for any British investor at the moment. They may prefer to stay in sterling on currency grounds; they may prefer the outlook for sterling securities; they may feel more at home dealing in a London market with which they are familiar; they may argue that investment in British-based multinational groups offers them adequate exposure both to international currency dealings and to the overseas areas offering better long-term growth potential than Britain.

They may well be right to hold these views. Even so, the abolition of exchange controls is an event of great significance for the British investor. Whether or not he chooses to make use of his expanded investment freedom is one thing. But the fact remains that the potential investment opportunities available to him have been increased immeasurably, while his interest in international developments will inevitably broaden, if only because the abolition of exchange controls must affect the way in which British markets themselves behave.

Now that capital is free to flow in and out of Britain, according to developments at home or overseas, the fund manager can no longer afford to pretend that nothing, or only a little, happens beyond the white cliffs of Dover.

While recent official figures on the flow of funds through the important investing institutions hardly suggest any great rush to invest overseas in the first two months after the abolition of exchange controls, I would be most surprised if there is not substantial overseas investment by pension funds during the 1980s.

Given this freedom, then, what is the investor to make of the world investment scene? One could certainly forgive the view that the abolition of exchange controls has merely given the fund manager a licence to gamble on the world's political instability. But if one takes the view, and I suspect that most fund managers do, that one cannot base decisions on total pessimism for the longer term, then the initial picture he may have in mind is this: Western governments, particularly the United States, have toughened up their anti-inflationary policies quite considerably; disinflation and recession are in the air; and, over the longer term, the United States is probably better equipped than any country to meet future energy problems.

On the face of it, one has a scenario which seems to be crying out for investment in bonds rather than equities, in dollars rather than Deutsch marks or yen.

Yet the doubts remain. There have been false dawns before. There must still be a big question mark over the probable outcome of the anti-inflationary battle.

In part, the recent relapse in the dollar reflects political developments. But it also reflects fears that the speed and extent of the recent slide in interest rates may signify that the United States Government is not yet ready to bring inflation under full control.

One might, perhaps, argue that the present Administration has left itself little time to do battle with inflation and that the ultimate counter-inflationary battle in the United States will not take place until after this November's election. Equally justifiably, one could also conjure up a picture in which the United States suffered serious stagflation for much of the early 1980s.

The real problem for the British investor is that this all makes it particularly difficult to be sure of getting the first step in overseas investment right, namely coming up with the right currency to be in. Certainly, one could also argue that Wall Street has not, in fact, been a good home for money in the 1970s. But that would be to present an argument based largely on the performance of a single index, the Dow Jones industrial average. Investment in small and medium-sized American companies in the 1970s was often highly rewarding; and there seems no reason to doubt that such opportunities will continue to exist as technology makes further rapid advances during the 1980s.

Coming closer to home, the British Government's own anti-inflationary policies pose some interesting questions for pension funds. Once again, of course, it remains to be seen whether the economy will, over time, respond to present policies, or, if it does not, what will happen next.

But the implications if the policies succeed are, to say the least, fascinating. Admittedly, funds will be becoming more mature during the 1980s, the numbers in employment could fall temporarily, and pressure for improved benefits in some funds may intensify. But net cash flow will still be increasing quite strongly according to most projections, at a time when the Government's financing need may well be falling in nominal terms. I am not placing bets on the likelihood of a budget surplus at some stage in the 1980s though we could come fairly close to it for central government alone.

Where will you put your money then? The theory, of course, is that as the Government cuts back on its call on national resources, private sector investment will revive and you will simply switch from buying gilts to buying equities and debentures.

It may, or may not, prove that simple. Presumably, more outlets for small company investment may arise. It may even be that the home loan market will evolve in such a way to make this an avenue that will look more attractive than at present.

The other option has to be more investment overseas—an option that the Government would presumably like to see used increasingly once it feels that it is winning the battle against inflation.

Certainly a strong case can be made out for staying with sterling and sterling securities at the moment. But when the moment comes to look elsewhere the one thing that is certain is that not everybody will be able to squeeze through the exit at the same time.

Interior of the Willow Tea Rooms, Glasgow, refurbished by the London Transport Pension Funds as part of a £3m investment. Below: members of the Royal Forestry Society visit Blean woodlands, near Canterbury, purchased by the Midland Bank Pension Fund. Right, two paintings bought by the British Rail Pension Fund. Above, "The Miraculous Translation of the Holy House of Loreto" by G. B. Tiepolo, on loan to the National Gallery. Below, detail from Picasso's "Young Man in Blue", on loan to the Victoria and Albert Museum.

photograph courtesy Tilhill